Wednesday
21st November, 1956

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(Part I - Questions and Answers)

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LOK SABHA

Wednesday, 21st November, 1956

The Lok Sabha met at Eleven of the Clock

(MR. SPEAKER *in the Chair*)

ORAL ANSWERS TO QUESTIONS

Demarcation of Boundaries in Punjab

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*244. { **Shri Bansal:**
Shri Ram Krishan:

Will the Minister of **Home Affairs** be pleased to state whether any steps have been taken to demarcate the boundaries of the two regions of the Punjab consequent upon the amendment of the Constitution, providing for, *inter alia,* the formation of two regions in that State?

The Minister in the Ministry of Home Affairs (Shri Datar): A conference was convened by the Minister of Home Affairs recently of the Chief Ministers of the former States of Punjab and PEPSU and representatives of other interests concerned, to discuss this matter. The conference appointed a Committee of six to go into the question. The Committee has since submitted its report. The matter is under consideration.

Shri Bansal: Inasmuch as delimitation of constituencies is going on at present how long will Government take to decide this question of demarcation of boundaries between the two regions?

Shri Datar: Government will not take long, it will come to a decision as early as possible.

Shri Bansal: In the report, what is the suggestion of the committee as to what should be the ultimate unit which will be taken in to account for demarcating the boundaries, namely, whether it will be the village, the *thana* or the *teshil* or the district?

Shri Datar: The report has dealt with this question, but it will be premature to discuss this or to disclose it at this stage.

Shri Heda: Are Government aware of the fact that because of the delay of this work, not only the delimitation of Punjab but the delimitation in other States like Andhra Pradesh is also being delayed; and if so, may I know what steps Government are taking?

Shri Datar: This matter relates to Punjab, and attempts are being made to come to a decision as early as possible. So far as the other States are concerned, I am not aware of what the hon. Member has stated.

Shri Bansal: Is the hon. Minister aware that the Delimitation Commission cannot issue the final delimitation until the delimitation in respect of all the States is ready? And that is what Mr. Heda tried to point out, that in asmuch as the Punjab delimitation is being delayed on account of this demarcation, the Commission cannot publish the delimitation of constituencies order in any other State.

Shri Datar: Government will take this matter into consideration in coming to a decision on the Punjab question.

Shri B.S. Murthy: May I know whether the hon. Minister is aware that the different States are not able to come to an agreement because they do not know whether to take a village or a *tehsil* as the unit of compromise? Therefore is it not better that the Centre fixes either the village or the *tehsil*, as the unit, so that the agreement will be easier?

Shri Datar: May I point out that this relates to the Punjab only where these two regions are to be established? It does not relate to other States as such. But Government are taking a decision as early as possible on what the hon. Member had just suggested.

Sardar Hukam Singh: It has been suggested that the Delimitation Commission shall announce its decision so far as all States are concerned simultaneously and at one time. Therefore, the demarcation of one region would affect the delimitation of other States as well. It is therefore necessary that the delimitation of Punjab also should be expedited, as the delimitation of other States has to be done. In the circumstances, does the Government realise the desirability of coming to an early decision, because the Delimitation Commission has expressed that it would not wait further now for the announcement of the decision — and if their decision is announced, and afterwards this announcement is made about the demarcation of the regions, that might adversely affect the hopes that had arisen in these two regions?

Shri Datar: Government are fully aware of the need to come to an early decision on this question.

Steamer Service to Laccadive Islands

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*246. { **Shri Nettur P. Damodaran:**
Shri T. B. Vittal Rao:

Will the Minister of **Home Affairs** be pleased to refer to the reply given to Starred Question No. 533 on the 31st July, 1956 and state:

(a) whether the arrangements for running of a direct steamer service between the mainland and the Laccadive Islands have since been finalised;

(b) if not, the reasons thereof;

(c) when the service is likely to be started; and

(d) what will be the frequency of the same?

The Minister in the Ministry of Home Affairs (Shri Datar): (a) Not yet.

(b) The offer received from one Shipping Company is still under consideraton.

(c) As soon as the negotiations are finalised.

(d) It is proposed to charter a vessel for 11 days in a month, for a round journey of the Islands during fair season of 8 months in a year (*i.e.*, October to May).

Shri Nettur P. Damodaran: In view of the backwardness of the Islands which have now come under the Central control, and the growing demand for a steamer service connecting the mainland and the Islands of Laccadive and Amindivi, will Government see that the steamer service is started with the least amount of delay?

Shr Datar: Yes, Government are aware of this and are anxious to start it as early as possible.

Shri Nettur P. Damodaran: Which are the Islands that wil be served by the proposed steamer service?

Shri Datar: All the ten Islands will be served — there are, in all, nineteen Islands of which ten are inhabited — and the idea is to take it every month to all these Islands.

Backward Classes Evaluation Organisation

*247. { **Shri Gidwani:**
Shri M. R. Krishna:

Will the Minister of **Home Affairs** be pleased to state:

(a) whether the Government of India propose to set up a Central Evaluation Organisation to audit the achievements in the work or the advancement of Backward Classes;

(b) what will be the nature of the organisation; and

(c) what will be its functions?

The Minister in the Ministry of Home Affairs (Shri Datar): A statement is laid on the Table of the House. [*See* Appendix II, annexure No. 16].

Shri Gidwani: In the statement it is stated that the organisation will consist of one Officer on Special Duty at headquarters and sixteen Assistant Commissioners as field officers at the rate of one officer on an average for each State, including the seven Regional Assistant Commissioners. May I know what will be the annual expenditure in this set-up?

Shri Datar: That is being worked out now.

Shri Gidwani: In the statement it is also said that the principal functions of the organisation will be to report to the Ministry of Home Affairs on the adequacy of the resources and personnel deployed on the various schemes by state Governments. May I know whether all the States have agreed to implement the scheme and co-operate fully?

Shri Datar: This scheme has to be carried on in co-ordination with the State Governments, and we are making grants to the State Governments. Therefore, they are inclined to have the scheme implemented, because it would be of use to them as well.

Shri Gidwani: In the statement it is further stated that in respect of schemes which involve public co-operation, it will be the function of the organisation to ensure that such co-operation is forthcoming in adequate measure. May I know whether Government have laid down any basis for such co-operation—any scheme or any method?

Shri Datar: That is what the Government are doing in consultation with the State Governments. A number of schemes are to be carried on by State

Governments on their own initiative or as Central Government sponsored schemes. Therefore, certain principles are being evolved on the basis of which this new scheme will work.

Shri Gidwani: What about public co-operation?

Shri Datar: The question of public co-operation will also arise, and there this officer as also the field officers will be of use to the State Government in the implementation of this.

Shri N. R. Muniswamy: May I know the scales of pay fixed for these field officers?

Shri Datar: That question is under consideration; but I may point out that the pay is likely to be the same as that of an Assistant Commissioner, because they are to be on the same footing.

Shri B. S. Murthy: May I know whether there will be Regional Committees or State Committees to assist these field officers to secure public co-operation?

Shri Datar: The field officer will deal more directly with the State Governments and their officers. It is for the State Governments to have these committees wherever they are not there already.

French Currency

*250. **Shri Krishnacharya Joshi**: Will the Minister of **Finance** be pleased to state:

(a) whether French currency used in the former French India establishments has been completely withdrawn ; and

(b) the total value of Indian currency issued in exchange of French currency up to the 31st October, 1956?

The Deputy Minister of Finance (Shri B. R. Bhagat): (a) Yes, Sir.

(b) Rs. 37,14,809.

Shri Krishnacharya Joshi: May I know the total amount of French currency withdrawn?

Shri B. R. Bhagat: The total currency withdrawn was Rs. 37,58,108.

Shri Krishnacharya Joshi: May I know whether small coins have also been withdrawn or whether they continue?

Shri B. R. Bhagat: Currency including coins also.

Shri Veeraswamy: May I know how far this scheme will help the poor students on a poverty basis, irrespective of merit?

Mr. Speaker: How does it arise out of this question?

Post-matric Merit Scholarships

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*251. **Shri† Krishnacharya Joshi:**
Shri Jhulan Sinha:
Shri Dabhi:
Dr. Ram Subhag Singh:
Shri Veeraswamy:
Shri Gidwani:
Shri Wodeyar:
Shri Nettur P. Damodaran:

Will the Minister of **Education** be pleased to state:

(a) the progress made in the implementation of the scheme for the grant of merit scholarships for post-matriculation study in India; and

(b) the number of scholarships awarded (State-wise) for the year 1956-57?

The Deputy Minister of Education (Dr. M. M. Das): (a) Applications have been invited.

(b) None as yet.

Shri Krishnacharya Joshi: What is the total amount provided for these scholarships?

Dr. M. M. Das: The budget provision for the current year 1956-57 for 400 scholarships is Rs. 2,75,000.

Shri Krishnacharya Joshi: May I know whether any special consideration has been given to any special class?

Dr. M. M. Das: The only special consideration that will be given during the selection of the candidates will be the special provision for the children of workers for technical courses.

Shri Veeraswamy: May I know how far this scheme will help the poor students on a poverty basis without any consideration whatsoever regarding merit?

Dr. M. M. Das: There are two points to be considered in giving the scholarship—poverty and merit; mere poverty will not be enough.

Shri M. K. Moitra: The matric results are generally out by May or June. Will Government be pleased to state when they invited the applications for scholarships?

Dr. M. M. Das: This scheme of giving scholarships has been initiated only in the current year. The scholarship were sanctioned late and the last date of receipt of the applications by the Central Government from the State Governments is 17th December, 1956.

Shri M. K. Moitra: I asked when the applications were invited.

Dr. M. M. Das: The applications were invited on the 11th September, 1956.

Shri B. S. Murthy: May I know how and who will decide the question of merit? Will there be a new examination?

Dr. M. M. Das: The merit will be decided from the university examination results.

Shri Nettur P. Damodaran: May I know whether any quota is reserved for Scheduled Classes and Backward Classes in the matter of these scholarships?

Dr. M. M. Das: There is a separate scholarship for the Scheduled and Backward Classes.

Shri Gidwani: What will be the method of selection?

Dr. M. M. Das: The scholarships are to be given on a population basis to each State. That particular State Government will collect and co-ordinate all the applications and will send three times the number of scholarships allotted to that particular State, to the Central Government. The Central Government will constitute a committee which will make the final selection.

Shri Heda: The question is whether in the final analysis, it will be the merit of the scholars that will count or the discretion of the officers of the committee?

Dr. M. M. Das: There is no discretion. If the father or the guardian of the student is rich or has a decent income, the student is not eligible for this scholarship; in that case, he will get a certificate from the Government that he is a good student.

श्रीमती कमलेन्दुमति शाह : क्या मैं जान सकती हूं कि उत्तर प्रदेश के चार पहाड़ी जिलों के स्टुडेंट्स को कोई स्कालरशिप्स दिए गए हैं और खास तौर से टिहरी-गढ़वाल के स्टुडटस को, क्योंकि मैं समझती हूं कि उनको कोई-स्कालरशिप्स नहीं मिल रहे हैं ?

Dr. M. M. Das: So far as U.P. is concerned, the scholarships will be distributed according to the population of U.P. We will receive the applications from the U.P. Government.

Nefa Newsprint Factory

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*254. { **Shri R. P. Garg**:
Shri Bishwa Nath Roy:

Will the Minister of **Heavy Industries** be pleased to state:

(a) the total output of Nefanagar Newsprint Factory in Madhya Pradesh during 1955-56;

(b) the time by which the factory will go into full production, if it has not done so already;

(c) the time by which India will be self-sufficient in the production of newsprint keeping in view the increase in demand due to spread of literacy in the country; and

(d) the quantity and quality of newsprint imported from foreign countries (Country-wise) during 1955-56?

The Minister of Heavy Industries (Shri M. M. Shah): (a) 3,655 tons.

(b) Production has already reached the optimium level of 60 tons per day under present conditions and according to the capacity of machinery and equipment. It is expected that with the completion of certain readjustments to the pulp plant in the course of the next year, production may reach the level of 100 tons per day, *i.e.*, 30,000 tons per annum.

(c) and (d). A statement giving quantity of newsprint imported (country-wise) during the year 195-56 is placed on the Table of the House [*See* Appendix II, annexure No. 17]. As regards quality, newsprint manufactured from mechanical wood pulp containing not less than 70 per cent. of the fibre contents is generally imported. Our annual requirement of newsprint is about 80 to 90 thousand tons at present and is expected to rise to 1,20,000 to 1,40,000 tons by 1960-61. The National Industrial Development Corporation is, therefore, going to put up a newsprint plant at Shakarnagar (Hyderabad) with an annual capacity of 30,000 tons. Further steps are being taken to create additional capacity to meet the country's requirements.

Shri R. P. Garg: May I know whether there has been any increase in the production per month of the Nepanagar Factory as compared to last year?

Shri M. M. Shah: Yes; last year the capacity was 3,655 tons, *i.e.*, 12 tons per day; now it is 60 tons per day.

Shri R. P. Garg: What is the total foreign exchange that the Government has spent for the import of newsprint to meet the needs of the country?

Shri M. M. Shah : Rs. 6,65,00,000 in 1956.

श्री भक्त दर्शन : कई वर्षों से यह चर्चा चल रही है कि अखबारी कागज़ की कमी को दूर करने के लिए उत्तर प्रदेश की सरकार ने तथा हिमाचल प्रदेश की सरकार ने कुछ प्रोपोज़ल्ज़ भेजे थे जिन म अखबारी कागज बनाने के लिए कारखाने स्थापित करने के लिए सुझाव दिये गये थे । क्या मैं जान सकता हूं कि उनके बारे में क्या प्रगति हुई है ?

श्री म० म० शाह : ऐसी कोई इत्तिला हमारे पास नहीं है । हम जो कोशिश कर रहे हैं उसके बारे में मैंने अपने उत्तर में बता दिया है । हम एक कारखाना पब्लिक सैक्टर में खोलने जा रहे हैं और एडिशनल केपेसेटी क्रियेट करने की कोशिश भी कर रहे हैं ।

Shri P. C. Bose : May I know whether any investigation has been made to find out where the raw materials required for the manufacture of paper such as bamboos and varieties of grass etc, are avaliable in the country ?

Shri M. M. Shah : A committee has been appointed under the chairmanship of the Inspector-General of Forests already and their report is awaited. As far as newsprint is concerned, the new process found in Germany is for its manufacture from bagasse.

Shri T. S. A. Chettiar : In order to make the country self-sufficient in newsprint, some plants will have to be started elsewhere. Is there any proposal to have any plant in Bawanisagar in Madras State ?

Shri M. M. Shah : For the present, I have indicated that one factory is going to be set up at Shakarnagar. The locations for other plants have not been selected.

Shri Velayudhan : May I know whether any investigation or research is undertaken in the T.C. State with regard to the availability of raw materials for the newspaper industry ?

Shri M. M. Shah : I have said that the committee under the chairmanship of the Inspector-General of Forests is reviewing the whole thing including raw material in Travancore-Cochin State. Their report will be placed before the House within the next three months.

Shri Heda : May I know whether the plant at Shakarnagar will be in the private sector or in the public sector ?

Shri M. M. Shah : The National Industrial Development Corporation is a private limited company of the Government of India. This will be therefore in the public sector.

Seminar on the Blind

*255. **Dr. Ram Subhag Singh :** Will the Minister of **Education** be pleased to state :

(a) whether Government have received the recommendations of the Seminar on the Blind held at Mussoorie in September, 1956; and

(b) if so, whether Government have considered and accepted their recommendations ?

The Deputy Minister of Education (Dr. K. L. Shrimali) : (a) Yes, Sir.

(b) The recommendations are under consideration.

राष्ट्रीय नेताओं के स्मारक

*२५७. { **श्री भक्त दर्शन** : / **श्री विभूति मिश्र** ।

क्या गृह-कार्य मंत्री ३ अगस्त, १९५६ के तारांकित प्रश्न संख्या ७१५ के उत्तर के सम्बन्ध में यह बताने की कृपा करेंगे कि विभिन्न जेलों में स्वतन्त्रता संग्राम के नेताओं के स्मारक बनाने के कार्य में अब तक क्या प्रगति हुई है ?

गृह-कार्य मंत्रालय में मंत्री (श्री दातार): स्वतन्त्रता संग्राम के राष्ट्रीय नेताओं के बलिदानों की स्मृति में, पत्थर या धातु पर उनके नाम लिख कर जेल में लगाने के केन्द्रीय सरकार के सुझाव को कार्यान्वित करने की जिम्मेदारी राज्य सरकारों की है । फिर भी, मांगी हुई सूचना उनसे एकत्रित की जा रही है और कुछ ही समय में वह सभा पटल पर रख दी जाएगी ।

Shri B. S. Murthy : I request that the English answer may be read.

Mr. Speaker : The Minister may read the English answer also.

Shri Datar : The implementation of the suggestion made by the Central Government to the State Governments for placing plaques in jails for commemorating the sacrifices made by the national leaders of the Freedom Movement is the responsibility of the State Governments. The information asked for is, however, being collected from them and will be laid on the Table of the House in due course.

श्री भक्त दर्शन : क्या मैं जान सकता हूं कि नैशनल लीडर्स यानी राष्ट्रीय नेताओं की परिभाषा क्या है ? क्या इस के अन्तर्गत देशी राज्यों में जिन्होंने आन्दोलन किया और जनता के अधिकारों को प्राप्त करने की कोशिश की, उनको भी सम्मिलित किया जाएगा जैसे कि टिहरी-गढ़वाल की जेल में श्री देव सुमन का ८४ दिन की भूख हड़ताल के बाद देहांत हुआ था ?

श्री दातार : उसको भी सम्मिलित किया जाएगा ।

श्री भक्त दर्शन : क्या इस तरह की हिदायतें जारी की गई हैं कि देर से देर मई, १९५७ तक यह स्मारक-पटल लगाने का काम पूरा हो जाये, जब कि हम अपने स्वतन्त्रता संग्राम की पहली शताब्दी मनाने जा रहे हैं ?

श्री दातार : स्टेट गवर्नमेंट वह सब कार्य जल्दी से जल्दी करेंगी ।

West German Technical Assistance

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*258. **Shri S. C. Samanta:**
Shri Shree Narayan Das:

Will the Minister of **Education** be pleased to state:

(a) the nature of Technical Assistance offered by the Government of the Federal Republic of Germany during the Prime Minister's visit to that country in July, 1956;

(b) whether the terms of scholarships offered by West Germany to Indian students for technical training there have since been finalised;

(c) if so, the number of students selected already; and

(d) the number of applications received for these scholarships?

The Deputy Minister of Education (Dr. M. M. Das): (a) The Federal Government of West Germany have offered assistance in the establishment of a technological institute in India. Several offers of scholarships totalling 812 for the training of Indians have also been received from the Federal Government and other Organizations in Germany.

(b) Not yet.

(c) and (d). Do not arise at this stage.

Shri S. C. Samanta: May I know who select these students for enjoying these scholarships?

Dr. M. M. Das: The details of these scholarships have yet to be determined.

Shri S. C. Samanta: May I know whether the External Affairs Ministry and the Education Ministry will form a joint selection body?

Dr. M. M. Das: That would be determined afterwards. The present position, I may explain to the hon. Member. The Prime Minister accepted the offers that had been made by the German Federal Government and some other institutions in Germany and suggested that a German Technical Mission may come to India and discuss the various details of the institute which may be set up and the scholarships. That Technical Mission has come and discussion is going on between the German Technical Mission and the Sponsoring Committee that has been set up by the Government of India.

Shri S. C. Samanta: May I know whether advertisements are duly made before calling the candidates to apply?

Dr. M. M. Das: That is generally done. But, so far as these scholarships are concerned, it is too premature now.

Shri T. S. A. Chettiar: Is there any proposal to use the technical assistance for the establishment of one of the higher technical institutes in India?

Dr. M. M. Das: Yes, Sir.

Shri T. S. A. Chettiar: If so, in what region?

Dr. M. M. Dass: The region is yet to be determined.

Shri Keshavaiengar: May we know the courses for which the selection will be made?

Dr. M. M. Das: I have said that the German Technical Mission has arrived and discussions are taking place between the Technical Mission and the Sponsoring Committee set up by the Government of India.

Primary Teachers

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*259. **Shri Gidwani:**
Shri N. B. Chowdhury:
Shri D. C. Sharma:
Shri Shivananjappa:
Shri Shree Narayan Das:
Shri A. K. Gopalan:
Shri A. M. Thomas:

Will the Minister of **Education** be pleased to state:

(a) how far the States have responded to the request of Government to fix the minimum remuneration of Primary school teachers; and

(b) the amount of grants Governmena propose to give to the States in this regard during the financial year 1956-57?

The Deputy Minister of Education (Dr. K. L. Shrimali): (a) The Governments of 15 States (Andhra, Assam, Bihar, Hyderabad, Madras, Orissa, Punjab, Travancore-Cochin, West Bengal, Saurashtra, Bombay, Bhopal, Madhya Bharat, Madhya Pradesh and Vindhya Pradesh) agreed to increase salary scales.

(b) The Government of India will bear in 1956-57 50% of the additional expenditure involved.

Shri Gidwani: What will be the scales?

Dr. K. L. Shrimali: The grades will differ from State to State. We had suggested that the minimum salary for an untrained teacher should be Rs. 40 and for a trained teacher Rs. 50. But, the grades differ from State to State. They have to take into account the local conditions.

Shri Gidwani: May I know whether any minimum salary has been fixed?

Dr. K. L. Shrimali: As I said, we had recommended. We cannot fix the pay scales for the State Governments. We had made recommendations. Most of the State Governments have accepted, except two or three: Andhra,—— Bihar, Orissa and U. P. where the minimum is still lower than Rs. 40/-.

Shri A. M. Thomas: The hon. Minister mentioned Travancore-Cochin as one of the States which have accepted the recommendation. But, my information is that that Government has not acted on the recommendation of the Central Government and increased the salary to the minimum that had been fixed by the Central Government. May I enquire what is the difficulty in accepting the recommendation of the Central Government especially when Travancore-Cochin is under the control of the Central Government now?

Dr. K. L. Shrimali: The position is this. We have said that we will meet only 50 per cent of the increased expenditure. The remaining 50 per cent is to be found by the State Governments. If the State Governments have not been able to raise additional resources or make the necessary internal adjustments, naturally they cannot accept the recommendations of the Central Government.

Shri K. P. Tripathi: May I know why the Government suggested that the minimum should be Rs. 40 while even five years ago or even earlier the Pay Commission said that the minimum salary should be at least Rs. 55?

Dr. K. L. Shrimali: We have to take into account the acutal conditions as they prevail. Even now, in spite of our efforts, we have not been able to raise it to Rs. 40.

Shri Sadhan Gupta: May I know whether this sum of Rs. 40 or 50 is inclusive of all allowances and if not, what allowances are envisaged?

Dr. K. L. Shrimali: No, Sir. It is not inclusive of allowances. It is the basic salary.

Shri Sadhan Gupta: What are the allowances envisaged?

Mr. Speaker: There are other allowances.

Shri Ramachandra Reddi: What is the additional expenditure in increasing the scales of pay?

Dr. K. L. Shrimali: The total expenditure, it is estimted, will come to Rs. 3 crores which the Central Government will have to contribute.

Shrimati Kamlendu Mati Shah: Is this sum of Rs. 40 per month exclusive of the hill allowance in a place like the Tehri-Garhwal State?

Dr. K. L. Shrimati: This sum of Rs. 40 is the basic salary. It encludes allowances.

Cement Distribution

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*260. { **Shri Ram Krishan:**
Pandit D. N. Tiwary:

Will the Minister of **Heavy Industries** be pleased to state:

(a) whether there has been any improvement in the proper distribution of cement since Government took over the cement business;

(b) whether it is a fact that the free-sale (at gate) of cement upto a certain limit enjoyed by cement manufacturers has been stopped; and

(c) if so, (1) the reasons thereof and (2) the quantity of cement thus released for public sale?

The Minister of Heavy Industries (Shri M. M. Shah): (a) Yes, Sir.

(b) Yes, Sir.

(c) (1) In the interest of proper control over distribution, sale of cement without permits at the gate of cement factories has been stopped; (2) even before the stoppage of this practice, gate sales were limited to a very few factories, and the quantities thus saved, though small have gone into the General Allocations.

Shri Ram Krishan: May I know whether the Government propose to abolish the present agency system of producer?

Shri M. M. Shah: It has already been taken over by the State Trading Corporation. They are working only as agents of the S. T. C.

Shri K. P. Tripathi: May I know whether the State of Assam has been included in the pool system or it is still excluded?

Shri M. M. Shah: It will come into the full pool by the end of December, 1956. For the next few months it will pay about Rs. 15 extra in view of river transport charges.

Dr. Ram Subhag Singh: In reply to part (a) of the question, the hon. Minister said, yes. May I know what is the basis on which this reply was given?

Shri M. M. Shah: Firstly, we have been able to rationalise cross transport movements that were taking place. As such, naturally, when the question was asked whether there has been any improvement in the distribution of cement, obviously, this is some improvement that has taken place. Another thing is, Government is able to properly contol all the allocations which are on priority basis. These are two obvious improvements that have taken place.

Dr. Ram Subhag Singh: May I know whether the Minister is aware that at no place in India cement is availabe to the real consumer and if so, whether the Government will take any action in this regard?

Shri M. M. Shah: We are not aware of this. Of course, it is true that the availability of cement is rather difficult these days. We are trying to import about 7 lakh tons to meet as much of the demand of the public as possible.

Dr. Ram Subhag Singh: That is why I asked on what basis this reply is given. It is said here that there has been an improvement in the distribution of cement since the Government took over this work. Actually, there has not been any improvement. Later on, the Minister says, we are going to import 7 lakh tons. Why are such replies given on the floor of the House? Every day this is happening.

Shri M. M. Shah: The reply is factually correct and substantially so. The improvement is on the past distribution. Naturally availability both due to increased indigenous production and import has improved and also the system of distribution has at the moment improved.

Dr. Ram Saubhag Singh: The hon. Minister said about past distribution. Wherever there is a cement factory, the consumers of that area used to buy cement at gate sales. These consumers have been hard hit. Then it is said that there has been improvement over the past distribution system.

Shri M. M. Shah: May I submit that the word 'gate-sale, is not properly understood? Gate-sale never meant that the local consumers buy at the gate of the factory. Gate-sale was allowed of one or two bags, not exceeding ½ per cent or less of the total production for small purposes. Actually, when it came to the notice of the Government that these very small sales, insignificant sales were being misused, we have stopped it.

Mr. Speaker: May I suggest to hon. Ministers and Members that whenever a question arises with respect to which there are differences and the actual work orworking of a particular measure or article distributed, soon after the Question Hour is over, the hon. Ministers may fix up some time so that hon. Members may go and make certain representations to them in which case we will avoid a lot of time being taken on the floor of the House on these questions. Of course, this is subject to the convenience of the Ministers. Members independently also can go.

Shri M. M. Shah: I welcome the suggesion and I would be glad to meet Members.

Mr. Speaker: They may say: "We wish to have a half an hour discussion." Even in the evening I will meet Members of Parliament.

Kutub Minar

*261. **Shri B. D. Pande:** Will the Minister of **Education** be pleased to state:

(a) whether it is a fact that the passage leading to the top of the Kutub Minar tower is too dark and dingy; and

(b) if so, whether there is any proposal to electrify it?

The Deputy Minister of Education (Dr. M. M. Das): (a) No, Sir.

(b) Does not arise.

Shri B. D. Pande: Do Government know that at this place pickpockets ply their nefarious trade and women are molested? That is the complaint, and this ought to be checked.

Dr. M. M. Das: Up till now we have not received any complaint either about molestation of women or pickpockets. Moreover, there is a police constable stationed there.

Shri Velayudhan: Is there any proposal to electrify it? There is no need of complaint for that.

Dr. M. M. Das: o.

Shri Velayudhan: What is the reason for not electrifying it?

Dr. M. M. Das: Want of funds. There is no necessity. For 750 years it has been like that.

Shri B. D Pande: 750 years before there was no electricity. Now, in modern times we must have electricity.

Shri A. M. Thomas: Apart from the question of eletrification, the experience is that when we climb up there is a suffocating smell. Cannot at least arrangements be made to clean the steps?

Dr. M. M. Das: I will look into the matter.

Sardar Hukam Singh: The fact of the passage being dusty and dim has also been refuted or denied. The dust may be comparative, but nobody should deny that the passage is dark and dingy as well, and dirty also. This fact also has been denied by the Government while our experience is that everybody finds that it is dark, dingy and dirty also.

Dr. M. M. Das: We have got certain difficulties. If we want to increase the ventilation, we have to increase the windows.

Sardar Hukam Singh: The first part of the question is whether the passage is dark and dingy, and "No" has been the answer. I wish to ask the hon. Minister whether really he refutes this allegation that the passage is dark and dingy.

Shri A. M. Thomas: And dirty also.

Sardar Hukam Singh: Dirty also, but the question was whether it was dark and dingy.

Shri B. S. Murthy: Has the Minister gone there?

Dr. M. M. Das: For only ten or twelve steps in the first floor it is dark and that is so because we go from light into darkness.

Mr. Speaker: There is no harm if the hon. Minister goes there again and sees for himself.

Open-Air Theatre in Delhi

*265. **Shri Kajrolkar:** Will the Minister of **Education** be pleased to state:

(a) whether it is a fact that it is proposed to consturct an Open-Air Theatre in New Delhi;

(b) if so, the siteselected for the purpose and the estimated cost thereof;

(c) the seating capacity of the theatre; and

(d) whether its use will be restricted to officially sponsored functions or it will be made available for non-official functions as well?

The Deputy Minister of Education (Dr. K. L. Shrimali): (a) and (b). It is proposed to improve the Open-Air Theatre already constructed at Talkatora Gardens. The estimates have not yet been prepared.

(c) The existing theatre has a capacity 2,000.

(d) The procedure regarding the use of the theatre will be decided after the question of permanent allotment of land to this Ministry is settled.

Shri Kajrolkar: Who will manage the there and is it proposed to give free shows of documentary and educational films for the benefit of the poor residents in that area?

Dr. K. L. Shrimali: All these questions will be considered after it has been finally decided to set up the theatre.

Shri Velayudhan: May I know whether anybody was sent abroad in order to study the construction of the building for this open-air theatre from the Western models or something like that?

Dr. K. L. Shrimali: Not with regard to the open air theatre, but somebody was sent abroad to study the plans for a National Theatre.

Shri Velayudhan: May I know how much expenditue was incurred on sending this person for seeing some theatres outside?

Dr. K. L. Shrimali: The hon. Member is going from open air to the National Theatre.

Mr. Speaker: We are straying away too far from this question.

Technical Personnel

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*266. { **Sardar Akarpuri:**
Sardar Iqbal Singh:

Will the Minister of **Heavy Industries** be pleased to state:

(a) whether there is any proposal to compile the date regarding qualified technical personnel industry-wise; and

(b) if so, the steps taken so far in this direction?

The Minister of Heavy Industries (Shri M. M. Shah). (a) and (b). Yes, Sir; but the detailsof the proposal are still being worked out.

Life Insurance Business

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*268. { **Dr. Ram Subhag Singh:**
Shri Tulsidas:

Will the Minister of **Finance** be pleased to state:

(a) the progress of life insurance business month by month since its nationalisation; and

(b) the special meaures taken by Government or which are being contemplated by them for the expansion of life business under the Life Insurance Corporation of India?

The Minister of Revenue and Civil Expenditure (Shri M. C. Shah): (a) and (b). The, figures of new Life Insurance month by month transacted subsequent to 19th Janurary, 1956 are not immediately available. It may be stated generally that up to the 31st August, 1956 the business written was more or less level with the business written during the conrresponding period of the previous year. The total figures relating to the business transacted during the period 19th January to 30th June are, however, available, namely approximately Rs. 95 crores as compared to about Rs. 78 crores during the corresponding period of 1955. The business written since 1st September, 1956 is likely to show a falling off due to the dislocation incidental to the process of integration and reorganisation in which the various units disappear and give place to Zonal and Divisional Offices. The period of transition can now be said to be more or less over. We are aiming a securing business of a type which will not involve heavy lapses and will be genuine business. This, as well as other questions designed to expand life busines in a sound manner are under active consideration of the Corporation.

Shri A. M. Thomas: May I enquire whether it is a fact that almost all the key posts under Insurance Corporation at zonal and divisional level are being monopolised by employees of a particular insurance company that existed before nationalisation, and that the insurance business has suffered because of that, and if so, what steps do Government propose to take?

Shri M. C. Shah: I could not hear.

Shri A. M. Thomas: May I know whether the organisational set-up of the Insurance Corporation at the zonal, divisional and district levels is being monopolised by the employees of a particular insurance company, and if so, whether the efficiency of the business has been affected thereby, and if so what steps do Government propose to take?

The Minister of Finance and Iron and Steel (Shri T. T. Krishnamachari): I am afraid the two statements made by my hon. friend cannot be related as cause and effect. If the hon. Member wants to convey that information to me, I will take the information.

Shri Velayudhan: May I know whethe the figure given by the hon. Minister relates to old business or new business ?

Shri M. C. Shah: The figures are for new business.

Shri Ramachandra Reddi: May I know whether the new fixation of scales of pay and the cancellation of bonus and not paying compensaton for the cancellation of bonus is likely to affect the future business because some dissatisfaction is created in the staff ?

Shri T. T. Krishnamachari: The people about whom the question of pay scales has been raised are not the people who procure business. But, it is likely that the business of the Corporation itself is likely to slow down because of a certain amount of lack of discipline all this agitation has engendered.

Shri Debeswar Sarmah: Is it a fact that in certain placesd arrangements are not properly made to entertain business all and letters by Members of Parliament to the Chairman inviting his attention to this state of affairs are not responded to?

Shri T. T. Krishnamachari: I would like to tell the hon. Member that if he sends letters to me instead of to the Chairman or sends copies to me, I will certainly see that they are attended to. I will also look into the fact whether any letters remain unanswered. But, so far as the first fact is concerned, I said that may be incidental to the fact that the staff position in the Insurance Corporation is not really as it ought to be. A lack of discipline is evident and it is something which certainly reflects on the efficiency of the Corporation.

Shri Sadhan Gupta: The Minister has made a statement about lack of discipline. The agitation is partly over the cuts in the salary scales, namely, a cut in the grades and more so over the denial of the right to bonus which had been practically established in the former companies. Is it the view of the Minister that it is lack of discipline to agitate for retaining the rights which the employees have won and against the slashing down of their pay sales and their right to bonus, considering the fact that....

Mr. Speaker: Are we arguing this question? What is the question of the hon. Member?

Shri T. T. Krishnamachari: Since the hon. Member has finished his question I will answer. The lack of discipline and the question of making representations in regard to betterment of pay conditions, where they feel there has been any diminution in them or they think even *per se* there ought to be a betterment in the conditions, are totally different matters. Even some mild agitation can go on. But, lack of discipline is certainly something different. I would like to mention to the hon. Members an instance to which I was a party. I went to see an office in Madras, the Head Office in Madras. About 11·45 when I went the staircase was barricaded by about 200 employees and after entering the office through the lift, all these 200 employees came out and were shouting slogans from 11·46 in the morning till about 1-05 in the afternoon. Nobody knows what happened to their work. If that is not lack of discipline, I am afraid we must find a new definition for the word 'discipline'.

I would also like to say that the party to which my hon. friend opposite belongs is the party that is keeping this lack of discipline going and growing also.

Shri Sadhan Gupta: Prove it. That is a lie, Sir.

Mr. Speaker: That ought not to be said.

Shri T. T. Krishnamachari: Facts can prove to be lies for the Opposition.

Shri Sadhan Gupta: Prove the facts; do not make irresponsible statements.

P. T. O. Concession

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*270. **Shri Bhakt Darshan:**
Shri T. B. Vittal Rao:
Dr. Ram Subhag Singh:
Shri Kajrolkar:
Shri Wodeyar:
Shri Nettur P. Damodaran:

Will the Minister of **Home Affairs** be pleased to refer to the reply given to Starred Question No. 1604 on the 31st August, 1956 and state:

(a) whether the financial implications involved in the grant of Privilege Ticket Order facilities to the Central Government employees have since been considered; and

(b) if so, the decision taken?

The Minister in the Ministry of Home Affairs (Shri Datar): (a) and (b). After taking into account all relevant considerations it has been decided to grant travel concessions to Central Government employees in a modified form. A copy of the orders issued is laid on the Table of the House. [*See* Appendix II, annexure No. 18].

श्री भक्त दर्शन : यह जो आर्डर प्रकाशित किया गया है इसके पैराग्राफ २ में यह शर्त लगाई गई है कि जिन सरकारी कर्मचारियों का घर २५० मील से कम दूरी पर होगा उन्हें यह पी० टी० ओ० कंसैशन की सुविधा नहीं मिलेगी, मैं जानना चाहता हूं कि यह शर्त क्यों रक्खी गई है और क्या गवर्नमैंट के ध्यान में यह बात आई है कि केन्द्रीय सरकार के तृतीय और चतुर्थ श्रेणी के कर्मचारी लोग अधिकांशतः हिमाचल प्रदेश, टिहरी गढ़वाल और देहरादून आदि प्रदेशों से आते हैं और चूंकि उनके घर २५० मील से कम दूरी पर हैं इसलिए वे हजारों कर्मचारी इस सुविधा से वंचित रह जायेंगे ?

Shri Datar: The question is so long that I am unable to follow it. Will the hon. Member kindly split up the question and ask one by one?

डा० राम सुभग सिंह : यह तो बहुत सीधा सवाल हैं ।

श्री भक्त दर्शन : मैं यह जानना चाहता हूं कि इसमें एक शर्त यह रक्खी गई है कि कम से कम २५० मील की दूरी पर जिसका घर होगा उसको ही यह सुविधा दी जायगी, मैं जानना चाहता हूं कि इसका क्या कारण है कि २५० मील की यह शर्त लगाई गई है ?

श्री दातार : २५० मील के अन्दर रहने वालों को अपने घर जाने में मुश्किल नहीं होती है, अलबत्ता २५० मील से ऊपर जिन लोगों के घर हैं उनको बहुत मुश्किल होती है ।

श्री भक्त दर्शन : क्या गवर्नमैन्ट के ध्यान में यह बात आई है कि केन्द्रीय सरकार का जो सेक्रेटेरियट है उसमें तीसरे और चौथी श्रेणी के कर्मचारियों की संख्या बहुत अधिक है और चूंकि वे २५० मील से कम दूरी के रहने वाले हैं इसलिए वे इस पी० टी० ओ० कंसैशन की सुविधा से वंचित हो जायेंगे और क्या इस पर भी गवर्नमेंट द्वारा विचार किया गया है ?

श्री दातार: इस चीज के बारे में गवर्नमेंट के पास रिप्रेजेंटेशंस आये हैं और गवर्नमैंट विचार कर रही है ।

Shri Velayudhan: May I know why there is a change in the rules now issued as compared with the previously existing rules?

Shri Datar: The previously existing rule was there only for a year or so. It was considered that travel concessions should be granted only to those persons who desire to maintain their connection with their homes and the object was not to give concessions to those who want to go round the whole of India.

Rehabilitation Finance Administration

*271. **Shri Gidwani:** Will the Minister of **Finance** be pleased to refer to the statement laid in fulfilment of the assurance given in reply to Starred Question No. 974 on the 19th December, 1955 and state:

(a) the names of members of the Committee which has been constituted to enquire into the working of the Rehabilitation Finance Administration;

(b) whether the Committee has started its work; and

(c) if so, when will it submit its report?

The Minister of Revenue and Defence Expenditure (Shri A. C. Guha) : (a) A Committee consisting of representatives of the Ministry of Finance and the Comptroller and Auditor-General was appointed. Subsequently the Comptroller and Auditor General did not find it possible to let his nominee work on the Committee. The Committee therefore now consists of Shri M. R. Bhide, I.C.S., Joint Secretary, Ministry of Finance.

(b) Yes, Sir.

(c) The report will be submitted as early as possible.

Shri Gidwani : What are the terms of reference of the Committee?

Shri A. C. Guha : To go through the procedures and general working of the administration so that it may perform its duty and function efficiently and speedily.

Shri Gidwani : When will the Committee start work and submit its report?

Shri A. C. Guha : I think it has started only recently and will submit its report, as I have said, as early as possible.

Commissioned Officers

*272. **Shri R. P. Garg** : Will the Minister of **Defence** be pleased to refer to the reply given to Starred Question No. 518 on the 31st July, 1956, and state:

(a) whether any selection Board for recommending non-regular Commisioned Officers for permanent Commissions has since been set up; and

(b) if not, when it is likely to be constituted?

The Deputy Minister of Defence (Sardar Majithia) : (a) and (b). The award of Permanent Commission to non-regular officers is a subject that is constantly under review by the Army Headquarters and the Government. Those non-regular officers who satisfy the tests prescribed for entry into the Permanent Commissioned rank are given such Commissions. These are regular features of Army administration. Government do not think it necessary to establish a special Selection Board for this purpose.

Shri R. P. Garg : May I know the number of non-regular Commissioned Officers that have been given permanent Commissions?

Sardar Majithia : It will not be in public interests to answer that question.

Shri R. P. Garg : May I know what have been the criteria for selecting non-regular Commissioned Officers for permanent Commissions in the absence of the Selection Board?

Sardar Majithia : The criteria have been, the record of service, their efficiency, their usefulness and vacancies.

Shri Velayudhan : May I know whether those Commissioned Officers from the Bahawalpur State who opted to merge with the Indian cadre were being given pensions according to the Indian Army Rules?

Mr. Speaker : This relates to the Selection Board and does not relate to pensions.

Shri Velayudhan : It is a selection..

Mr. Speaker : The hon. Member is asking about pensions.

Shri Velayudhan : Those former officers of the Bahawalpur State opted to come into the Indian cadre and they were selected here and pension is being granted.

Mr. Speaker : It does not arise out of this question.

Shri R. P. Garg : May I know whether some permanent Commissioned Officers have been prevented from applying for the emergency recruitment to the I.A.S.?

Sardar Majithia : That question was already answered in the last Session and I have already replied that permanent officers were not allowed to apply.

कागज् उद्योग के लिये विशेषज्ञ समिति

*२७५. **श्री भक्त दर्शन** : क्या भारी उद्योग मंत्री १ अगस्त, १९५६ के तारांकित प्रश्न संख्या ५७९ के उत्तर के सम्बन्ध में यह बताने की कृपा करेंगे कि :

(क) कागज उद्योग के कच्चे माल के साधनों का सर्वेक्षण करने के लिये विशेषज्ञों का जो दल नियुक्त किया गया था, क्या उसने अपनी रिपोर्ट दे दी है ;

(ख) यदि हां, तो क्या उस रिपोर्ट की एक प्रति सभा-पटल पर रखी जायेगी ; और

(ग) उस दल की सिफारिशों को कार्यान्वित करने के लिये क्या कार्यवाही की जा रही है ?

भारी उद्योग मंत्री (श्री म० म० शाह): (क) से (ग). दो अन्तरिम नोट प्राप्त हुये हैं। आशा है कि अन्तिम रिपोर्ट ३ महीने के अन्दर मिल जायेगी, तभी उसे सभा की मेज पर रख दिया जायेगा।

श्री भक्त दर्शन : क्या माननीय मंत्री जी बताने की कृपा करेंगे कि जो यह पैनल नियुक्त किया गया था, उस ने अभी तक अपने काम में क्या प्रगति की है और क्या अड़चनें पड़ रही हैं जिस के कारण देरी हो रही है ?

श्री म० म० शाह : कोई खास अड़चन नहीं है। दो दफे इस पैनल की रिपोर्ट आई है, और हिन्दुस्तान के जितने राज्य हैं, उनके फारेस्ट्स (वन) के जितने इंस्पेक्टर जेनरल हैं, उन को चिट्ठी भेजी गई है। उनके पास से काफी डेटा आ भी गया है, और जो दो नोट प्राप्त हुए हैं, उन के बेसिस (आधार) पर रिपोर्ट शीघ्र ही बनने वाली है।

श्री भक्त दर्शन : देर से देर कब तक वह अपनी रिपोर्ट दे सकेंगे, क्या उन्होंने अपनी कोई तिथि बतलाई है ?

श्री म० म० शाह : मैंने बताया कि आशा की जाती है कि तीन महीने के अन्दर उनकी अन्तिम रिपोर्ट आ जाएगी।

Preference in Government Services for Sportsmen

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*277. **Shri S. C. Samanta** :
Dr. Ram Subhag Singh :

Will the Minister of **Education** be pleased to state:

(a) whether All-India Council of Sports have recommended to the Ministry that talents of top ranking cricketers and other sportsmen should be given preference in Government services in India;

(b) if so, what is the decision of Government in the matter ; and

(c) how many Indian top-ranking sportsmen have been recruited by foeign Governments because of their quality as sportsmen?

The Deputy Minister of Education (Dr. K. L. Shrimali) : (a) No, Sir.

(b) Does not arise.

(c) The Government have no information.

Shri S. C. Samanta : May I know whether the Board of Control for Cricket in India represented to the Government in this matter ?

Dr. K. L. Shrimali : The president of the Board of Control for Cricket in India has sent a memorandum to the Prime Minister.

Shri S. C. Samanta : May I know whether Government have any record about those posts for which they have applied ?

Dr. K. L. Shrimali : Government have no information; the posting is not readily available.

Shri S. C. Samanta : I put a question a month back whether this question was asked from the Board of Control for Cricket and such other organisations as to which persons have been taken in by foreign Governments.

Dr. K. L. Shrimali : The position is that Government has so far no information how these cricketers are employed by foreign Governments. It will require enormous time and money to collect that information. If you think that it is important to collect the information Government will do so, but I do respectfully submit that it requires considerable time and money, which is not really necessary.

The Deputy Minister of Defence (Sardar Majithia) : May I supplement that? I can state definitely that no foreign Government employs any of these sportsmen. It is a fact that some Clubs do offer contracts to some of these sportsmen for playing for those Clubs.

Dr. Ram Subhag Singh : May I know whether these are foreign Clubs which offer some money to our cricketers?

Sardar Majithia : Yes, that is what I said. They are under contract, and according to the terms of the contract, the Clubs do offer money to the cricketers and they go there for completing the contract.

Dr. Ram Subhag Singh : May I know whether Government will enable Indian Clubs to offer such contracts to Indian cricketers?

Sardar Majithia : Personally I think that if some Indian Clubs offer contracts to these cricketers, they will accept.

Buddha's Memorial

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*278. { **Sardar Iqbal Singh:**
Sardar Akarpuri:

Will the Minister of **Education** be pleased to state :

(a) whether any decision has now been taken regarding the question of finalizing the design of the memorial proposed to be erected in New Delhi in connection with the 2,500th Buddha Parinirvana Jayanti;

(b) if so, the details of the design and financial aspects of the said memorial; and

(c) if not, the progress made so far in this direction ?

The Deputy Minister of Education (Dr. M. M. Das): (a) to (c). Final decisions have not yet been taken and are likely to be taken in the next fortnight.

Sardar Iqbal Singh : May I know whether there is any proposal under consideration with the Government that a museum of Buddhist collections will be erected in Delhi ?

Dr. M. M. Das : So far as this particular proposal of erecting some kind of monument to commemorate the 2500th Buddha Parinirvana Jayanti is concerned, there is no such proposal under consideration.

Dr. Ram Subhag Singh : Some months ago there was a big meeting at the site of the memorial, May I know whether that memorial is going to be completed or not ?

Dr. M. M. Das : We have some difficulty in choosing or in finding a suitable plan or design for the memorial. We just declared an international competition for having a suitable design, but the designs that won the prizes were not found suitable by the Working Committee. So we are trying again to have some suitable designs from which we will make a selection.

Shri Kasliwal : The hon. Minister said that the design will be finalised some time within a fortnight or so, if I understood him aright. May I know whether he is going to consult some of the foreign delegations who have come to India in connection with the Buddha Jayanti celebration for this purpose ?

Dr. M. M. Das : No, Sir.

Dr. Ram Subhag Singh : May I know whether the site was recommended by the Working Committee or the Ministry and on what basis that meeting was held if that memorial is not going to be constructed or the design has not yet been finalised ?

Dr. M. M. Das : This is the particular place. It has been decided to erect a monument in New Delhi in commemoration of the 2500th Buddha Jayanti. The foundation stone was probably referred to by the hon. Member. The foundation stone of the proposed monument was laid by the Prime Minister on 23-5-1956 at an impressive ceremony in Kushak View in New Delhi. That is the place. The foundation stone has already been laid, and now the monument has to be completed.

Sardar Iqbal Singh : May I know whether any Committee has been formed for this purpose and may I also know whether any firm engineers or architects are also included in our design ?

Dr. M. M. Das : The design has not yet been selected. When the design is selected, we will see whether the C. P. W. D. will construct the building or some tenders will be called for. So far as the Committee is concerned, there is no special committee, but a high-powered committee has been set up under the chairmanship of Dr. Radhakrishnan to conduct the whole business of the Jayanti.

Delimitation Commission

Mr. Speaker : Shri D. C. Sharma; he is not here. Shri Bhagwat Jha Azad; he is not here. Shri Gurupadaswamy; he is not here. Shri Gadilingana Gowd; he too is not here. Does the hon. Minister want to answer this ? This is a very important question and so let the hon. Minister answer it.

*279. { **Shri D. C. Sharma :**
Shri Bhagwat Jha Azad :
Shri M. S. Gurupadaswamy :
Shri Gadilingana Gowd :

Will the Minister of **Law** be pleased to state:

(a) whether the Commissioner for Delimitation of Constituencies has submitted his report; and

(b) if so, the nature of the report ?

The Minister of Law and Minority Affairs (Shri Biswas) : (a) No, Sir. The Delimitation Commission is not required to submit any report. In accordance with sub-section (2) of section 47 of the States Reorganisation Act, 1956, it is required to prrepare an Order delimiting the Parliamentary and Assembly Constituencies. The Order is to be published only after the Commission completes its work. The work is still in progress.

(b) Does not arise.

Dr. Ram Subhag Singh : May I know when this report will be submitted to the Government?

Shri Biswas : The Delimitation Commission has practically finished the work as regards all the constituencies except one, namely, Rajasthan, and that will be finished by the end of this month. It will take about two days and they have fixed, I believe, the 20th November to take it up.

Shri A. M. Thomas : May I enquire by what time would it be possible for the Delimitation Commission to issue the final order regarding the Parliamentary and Assembly constituencies?

Shri Biswas : As I said, the work has been nearly finished except as regards Rajasthan, and then odds and ends will have to be looked into, some details will have to be settled and the order finalised. I believe it will be available before the end of next month, before the end of December.

Shri Kasliwal : Previously we understood that the final order of the Delimitation Commission would be issued by the 31st October. It appears from the answer given by the hon. Minister that the final order will be available by the 31st December. May I know whether there is any likelihood of delay in the coming elections?

Shri Biswas : I gave the approximate date by which the work will be completely finished and the order will be available. I am not definite about it. It may be earlier, but it will not be later than the end of December. That is what I said. As to how far it will affect the programme of elections, that is another matter.

Shri Heda : The hon. Minister stated that apart from Rajasthan the delimitation in respect of all other States has been completed. My enquiries, so far as Telangana region of Andhra Pradesh is concerned, indicate that the work has not yet been started.

Shri Biswas : I hold in my hand a letter from the Chairman of the Delimitation Commission, which I received yesterday. I am speaking from the information contained in it.

Shri A. M. Thomas : The hon. Minister stated that it may be earlier than 31st December. May I enquire whether the Government has got any interim report from the Election Commission as to the probable dates of the next elections, when it will be possible for the Election Commission to arrange the elections?

Mr. Speaker : That is another question.

Shri Biswas : As a matter of fact, all the authorities concerned are alert and they are taking every possible step to expedite matters. It is not merely the Delimitation Commission but the Election Commission also is doing everything possible. That is all that I can say and I cannot be more precise at this stage.

Shri Keshavaiengar : If the delimitation work connected with the new Mysore State has been completed, why is it that that part is not being published to enable further steps being taken early?

Mr. Speaker : The whole order will be published together.

Shri Biswas : As I said earlier, the law requires that the order should be published regarding all the States and not piecemeal, not as regards one particular State for which the work has been completed. So in accordance with law my hon. friends must wait a little.

Shri M. K. Moitra : Sir, May I put one question ?

Mr. Speaker : The Question Hour is over.

WRITTEN ANSWERS TO QUESTIONS

King George's Military Schools

***245. Shri Chattopadhyaya :** Will the Minister of **Defence** be pleased to refer to the reply given to a Supplementary raised on Starred Question No. 836 on the 14th December, 1955 and state.

(a) whether any decision has since been taken to change the name of the King George's Military Schools; and

(b) if so, the nature of the decision?

The Minister of Defence Organisation (Shri Tyagi) : (a) No.

(b) Does not arise.

Strike in C.O.D., Delhi Cantonment

***248. Shri Bahadur Singh :** Will the Minister of **Defence** be pleased to state:

(a) whether five thousand workers of the Central Ordnance Depot, Delhi Cantonment went on strike during the months of September and October, 1956;

(b) if so, the cause of the strike;

(c) whether some workers were recently retrenched from the C.O.D., Delhi Cantt.; and

(d) if so, their number?

The Minister of Defence Organisation (Shri Tyagi) : (a) No; but 2,034 workers out of 5,713 workers observed a sit-down strike for two hours on the 15th September, 1956. Besides this strike there was no other strike in C.O.D., Delhi Cantonment during the months of September and October, 1956.

(b) The strike was observed as a protest against the decision of the Government to retrench surplus civilian employees from Defence installations.

(c) Yes.

(d) 52.

Wind-mills

*249. **Shri D. C. Sharma :** Will the Minister of **Natural Resources and Scientific Research** be pleased to refer to the reply given to Unstarred Question No. 620 on the 13th August, 1956 and state:

(a) whether detailed surveys of wind velocities in different localities with reference to local conditions in the District of Kangra have been carried out; and

(b) if so, whether sites for installation of experimental wind-mills in that District have been selected?

The Minister of Natural Resources (Shri K. D. Malaviya) (a) : Not yet, Sir.

(b) Does not arise.

Integrity of Public Servants

*252. **Shri Dabhi :** Will the Minister of **Home Affairs** be pleased to refer to the reply given to Starred Question No. 403 on the 28th July, 1956 and state:

(a) whether Government have now finished consideration of the recommendation of the Planning Commission that if allegations of dishonesty are made against public servants in the press the public servants concerned should be asked to clear their names in a Court of Law;

(b) whether any orders have been issued on the subject; and

(c) if so, whether a copy of the same would be laid on the Table?

The Minister in the Ministry of Home Affairs (Shri Datar) : (a) to (c). Orders are expected to be issued in the next few weeks and a copy will be laid on the Table of the House.

Chrome Ore

253. **Shri K. S. Rao** : Will the Minister of **Natural Resources and Scientific Research** be pleased to state whether there is short supply of chrome Ore in India ?

The Minister of Natural Resources (Shri K. D. Malaviya): There are enough deposits (200,000 tons) to satisfy India's needs for many years to come, our current level of consumption being 8 to 9 thousand tons a year. But this mineral is in world short supply and as it is a very precious metal we may have to pursue a cautious policy for export purposes.

Merit Scholarships in Public Schools

*256. **Shri Bheekha Bhai :** Will the Minister of **Education** be pleased to refer to the reply given to Starred Question No. 1596 on the 31st August, 1956 and state:

(a) the progress that has been made so far in collecting the figures from State Governments regarding merit scholarships in public schools; and

(b) whether it is a fact that the screening tests were held twice and thrice in some cases in the Punjab?

The Deputy Minister of Education (Dr. M. M. Das) : (a) A statement is laid on the Table of the Lok Sabha. [*See* Appendix II, annexure No. 19]. The information relates to the years 1953, 1954 and 1955.

(b) No, Sir.

Newspapers in Kerala State

*262. **Shri Kamath:** Will the Minister of **Home Affairs** be pleased to refer to the reply given to Unstarred Question No. 1426 on the 7th September, 1956 and state :

(a) whether the reciprocal arrangements between the Kerala State Transport Department and the managements of certain newspapers have been terminated; and

(b) if not, the reasons therefor?

The Minister in the Ministry of Home Affairs (Shri Datar) : (a) and (b). It has been decided to terminate the present arrangement. The question of its replacement by a more equitable one is under consideration.

"Bogus" Educational Institutions in Delhi

*263. **Shrimati Tarkeshwari Sinha:**
Shri D. C. Sharma :
Shri Bheekha Bhai :

Will the Minister of **Education** be pleased to state :

(a) the number of "bogus" educational institutions that have been discovered in Delhi since Government asked the Police to go into the antecedents of such institutions; and

(b) the action that has been taken thereon?

The Deputy Minister of Education (Dr. M. M. Das) : (a) One.

(b) A case has been registered and is under investigation by the Police.

Foreign Aid

*264. **Shri L. N. Mishra**: Will the Minister of **Finance** be pleased to state:

(a) the amount of foreign aid received and promised for execution of the Second Five Year Plan ; and

(b) the names of countries and organisations offering such aid?

The Deputy Minister of Finance (Shri B. R. Bhagat) : (a) Approximately Rs. 269 crores inclusive of spill-over from the First Five Year Plan excluding the World Bank Loans and loan assistance for the steel plants.

(b) U. S. A. including U. S. private organisations such as Ford Foundation and Rockfeller; Canada, Australia, New Zealand and Norway.

Refractory Bricks

*267. **Shri S. V. Ramaswamy** : Will the Minister of **Heavy Industries** be pleased to state :

(a) whether there is any scheme for making refractory bricks from magnesite in Salem District (Madras);

(b) if so, whether it is in the private or public sector;

(c) the requirements of the country for such bricks for Iron and Steel works and how they are met today; and

(d) the saving in the exchange to the country if the requirements are fully met by production in our own country?

The Minister of Heavy Industries (Shri M. M. Shah) : (a) Yes, Sir.

(b) By an industrialist.

(c) The present requirements of Iron and Steel industry for basic refractories are estimated at 12,000 tons per annum. The present indigenous production of these bricks is of the order of 7,000 tons per annum. The balance of requirements is met by imports.

(d) There will be a saving of Rs. 38 lakhs, if the balance of requirements is met from indigenous sources.

Remission of Tax

*269. **Shri V. P. Nayar** : Will the Minister of **Home Affairs** be pleased to state:

(a) whether the erstwhile Travancore-Cochin State Government had received during September or October 1956, any memorandum from or on behalf of Jenmikaram Kudiyans urging for a cancellation of back arrears of basic Tax and giving full ownership of the lands in possession to the Kudiyans; and

(b) if so, the action taken thereon ?

The Minister in the Ministry of Home Affairs (Shri Datar) : (a) and (b). A memorandum was received, but it was not possible to meet the requests contained therein.

Small and Large Scale Industries in Punjab

*273. **Shri D. C. Sharma** : Will the Minister of **Heavy Industries** be pleased to state:

(a) whether the question of starting some big and small manufacturing industries in Punjab has been considered and decision taken thereon on the recommendation of the Punjab State Government; and

(b) if so, the nature of decision?

The Minister of Heavy Industries (Shri M. M. Shah) : (a) and (b). A number of Industrial Schemes included in the State Second Five Year Plan have been approved by the Planning Commission. A tentative provision of Rs. 7·12 crores—Rs. 1·4 crores for medium and large scale industries and Rs. 5·72 crores for village and cottage industries—has been made for these schemes and the details of these schemes will be examined before these are implemented.

The Nangal Fertiliser-*cum*-Heavy Water Project is being established in the Public Sector.

Regarding large scale industries, a statement giving details of industries licensed to be established in Punjab is placed on the Table of the House. [*See* Appendix II, annexure No. 20].

Tribal Students

*274. **Shri Bheekha Bhai** : Will the Minister of **Education** be pleased to state :

(a) whether it is a fact that a number of tribal students are discouraged for want of financial assistance from pursuing further studies; and

(b) if the answer to part (a) be in the affirmative, whether the Central Government are considering the relaxation of the rules in the matter of Central Scholarships by providing *ad hoc* grants to students below matriculation?

The Deputy Minister of Education (Dr. M. M. Das): (a) The Government of India have been awarding scholarships for post-matric studies to all eligible Scheduled Tribes candidates. As regards their primary and secondary education, the matter concerns the State Governments.

(b) No, Sir.

Synthetic Rice

*276. **Shri Kamath**: Will the Minister of **Natural Resources and Scientific Research** be pleased to refer to the reply given to Starred Question No. 125 on the 18th July, 1956 and state what further progress has been made in the production of synthetic rice?

The Minister of Natural Resources (Shri K. D. Malaviya): A small experimental-*cum*-demonstration unit has since been set up in the Central Food Technological Research Institute, Mysore, and preliminary trials are being conducted. Systematic production trials will be started when additional power supply becomes available.

Rare Manuscripts

*280. **Shri Bheekha Bhai**:
Shri Wodeyar:

Will the Minister of **Education** be pleased to state:

(a) whether it is a fact that at a meeting of the *ad hoc* Indology Committee held in June last in New Delhi, it was decided to publish rare manuscripts in India; and

(b) the number of rare manuscripts received from the State Governments and the various institutions and individuals in the country for this purpose?

The Deputy Minister of Education (Dr. M. M. Das): (a) Yes, Sir, but the publications will only receive financial assistance. They will not be published by the Indology Committee.

(b) Suggestions have been invited as to the Manuscripts to be published. Replies are still awaited.

Council for Non-ferrous Metals

*281. **Shri S. C. Samanta**:
Dr. Ram Subhag Singh:
Shri Shivananjappa:

Will the Minister of **Heavy Industries** be pleased to state:

(a) what steps have been taken to explore the possibilities of using non-ferrous metals for structural purposes so as to conserve the country's resources of steel;

(b) whether it is a fact that a Development Council for non-ferrous metals is proposed to be set up soon for the purpose; and

(c) if so, when and what will be its constitution?

The Minister of Heavy Industries (Shri M. M. Shah): (a) The possibility of using aluminium, which is reported to be the only non-ferrous metal which can be used for structural purposes and the extent to which aluminium structurals can be substituted for steel structurals are among the terms of reference to the Aluminium Committee set up by Government. The Committee submitted its report recently and it is under examination.

(b) and (c). It is proposed to set up a Development Council for the development of the non-ferrous metals industry. The personnel of the Council and the functions to be assigned to it are, however, yet to be finalised.

History of Indian War of Independence

*282. **Sardar Iqbal Singh**:
Sardar Akarpuri:

Will the Minister of **Education** be pleased to state:

(a) whether a copy of the thesis on the Indian War of Independence written by Mr. Kompantsev, a Soviet national, has since been received; and

(b) if so, how far, it will help in writing the History of Freedom Movement in India?

The Deputy Minister of Education (Dr. M. M. Das): (a) Yes.

(b) The Thesis, which is in Russian, has just been received and has not yet been examined.

Land Revenue System in Kerala State

175. **Shri A. K. Gopalan**: Will the Minister of **Home Affairs** be pleased to state:

(a) whether the Kerala State is having separate land revenue manuals for Travancore-Cochin and Malabar area;

(b) if so, what are the main differences in each area; and

(c) whether Government propose to introduce a uniform land revenue manual for the whole of Kerala State?

The Minister in the Ministry of Home Affairs (Shri Datar): (a) Yes.

(b) The main difference is in the system of land tax; in the Malabar area, tax is levied according to soil classification, while in the area comprising the former Travancore-Cochin State a uniform basic tax is levied.

(c) This question will have to be considered by the State Government after the unification of different laws in force in the State.

Government Employees in Kerala

177. { **Shri V. P. Nayar:**
Shri Punnoose:

Will the Minister of **Home Affairs** be pleased to refer to the reply given to Unstarred Question No. 736 on the 17th August, 1956 and state:

(a) whether it is a fact that before integration each department of erstwhile Governments of Travancore and Cochin States was maintaining an upto date gradation and seniority lists;

(b) if so, what was the year of destruction prescribed for files containing details of gradation and seniority in each Government; and

(c) whether such files have been destroyed now and if so, under whose orders?

The Minister in the Ministry of Home Affairs (Shri Datar): (a) Yes.

(b) and (c). Files relating to gradation and seniority lists are not usually destroyed.

Copper

178. **Shri Ram Krishan:** Will the Minister of **Heavy Industries** be pleased to state:

(a) the total requirement of copper in the country at present;

(b) the total production of copper in India; and

(c) the total import of copper from foreign countries at present and the value thereof?

The Minister of Heavy Industries (Shri M. M. Shah): (a) About 30,000 tons per annum.

(b)

Year	Production (in tons)
1953	4,020
1954 . . .	7,161
1955	7,281
1956 (Jan.-Sept.)	5,685

(c)

Year	Quantity of wrought and unwrought copper (in tons)	Value of wrought and unwrought copper. (in Rs.)
1953-54 .	8,256	2,71,05,656
1954-55 .	24,994	8,74,89,032
1955-56 .	18,007	8,71,40,282

Cantonments

179. **Shri Ram Krishan:** Will the Minister of **Defence** be pleased to state:

(a) the names of the cantonments in Pepsu and Punjab; and

(b) the total number of cantonments to be established during the current year?

The Minister of Defence organisation (Shri Tyagi): (a) A statement is laid on the Table of the Lok Sabha. [*See* Appendix II, annexure No. 21).

(b) No Cantonment is proposed to be established during the current year.

Hockey Coaching Schools

180. **Shri Ram Krishan:** Will the Minister of **Education** be pleased to state:

(a) whether Government propose to set up hockey coaching schools in India; and

(b) if so, the number of such schools and the venue thereof?

The Deputy Minister of Education (Dr. M. M. Das): (a) At present there is no proposal.

(b) Does not arise.

Permits For Kashmir

181. **Shri Ram Krishan:** Will the Minister of **Defence** be pleased to state:

(a) the number of persons, who applied for permits to visit Kashmir during the year 1956 so far; and

(b) the number of persons who got permits?

The Minister of Defence Organisation (Shri Tyagi): (a) and (b). The number of persons who applied for permits from 1-1-56 to 30-6-56 was 81,819. Of those, permits were given to 8,455. Information for the period 1-7-56 to 31-10-56 is being collected and will be placed on the Table of the House when ready.

Mica and Iron Ore

182. **Shri Ram Krishan:** Will the Minister of **Natural Resources and Scientific Research** be pleased to state the total production of Mica and Iron Ore in India during 1956 so far?

The Minister of Natural Resources (Shri K. D. Malaviya): Mica: 202,985 Cwts. upto June, 1956 Iron ore: 2,740,300 tons upto August, 1956.

Figures for subsequent months have not yet been received from the Mine Owners.

Travelling Allowances to Cabinet Ministers

183. Shri Kamath: Will the Minister of **Home Affairs** be pleased to state the travelling allowances paid to each of the Cabinet Ministers since April 1, 1956?

The Minister in the Ministry of Home Affairs (Shri Datar): A statement containing the required information is laid on the Table of the House. [*See* Appendix II, annexure No. 22].

Jenmikarom Lands

184. Shri V. P. Nayar: Will the Minister of **Home Affairs** be pleased to state:

(a) the total extent of lands known as Jenmikarom lands in (i) Travancore-Cochin Area of Kerala State, (ii) Malabar Area of Kerala State;

(b) the total area, of Jenmikarom lands each in Kottarakara, Pathanamthitta and Kunnathoor Taluks of Travancore-Cochin area;

(c) the total dues on account of (i) basic land tax and (ii) Jenmikarom in each of these taluks; and

(d) the percentage so far realised from the basic land tax assessed with retrospective effect from the Taluks referred to at (b) above?

The Minister in the Ministry of Home Affairs (Shri Datar): (a) to (d). The information is being collected and will be laid on the Table of the House in due course.

Commission on the Collection of Jenmikarom

185. Shri V. P. Nayar: Will the Minister of **Home Affairs** be pleased to state:

(a) the annual commission realised by Travancore Cochin Government on the collection of Jenmikarom as the agent of the Jenmies in each of the years from 1950 to 1955; and

(b) the annual expenditure in the above years for the collection referred to?

The Minister in the Ministry of Home Affairs (Shri Datar): (a) and (b). The information is being collected and will be laid on the Table of the House in due course.

Basic Training Institute, Mangaijil

186. Shri A. K. Gopalan: Will the Minister of **Education** be pleased to state:

(a) whether Government have received any representation from the pupil teachers of the Basic Training Institute of Mangaijil, Travancore-Cochin State, detailing their grievances; and

(b) if so, the action taken by Government in the matter?

The Deputy Minister of Education (Dr. M. M. Das): (a) No, Sir.

(b) Does not arise.

Steel Imports

187. Shri T. B. Vittal Rao: Will the Minister of **Heavy Industries** be pleased to state:

(a) the quantity and the value of steel imported during the period from the 19th April to the 30th October, 1956;

(b) the names of the countries from which it has been imported; and

(c) the quantity supplied to Railways and Collieries during the same period?

The Minister of Heavy Industries (Shri M. M. Shah): (a) 10,86,330 tons of the aggregate value of Rs. 80,48,28,450/-.

(b) U.K., Japan, Belgium, Germany, France, Sweden, Russia, Czechoslovakia, Austria, China, Hungary, Poland, Laxemburg, Switzerland, Norway, Yugoslavia, Canada, and U.S.A.

(c) 91,855 tons to Railways.

Supplies to Collieries are made by Controlled Stockists out of the pooled supply of imported and indigenous steel and separate figure for supply of imported steel to collieries is not available.

I. A. S. Emergency Recruitment

188. Shri D. C Sharma: Will the Minister of **Home Affairs** be pleased to refer to the reply given to the Unstarred Question No. 1059 on the 27th August, 1956, and state:

(a) whether the proposal with regard to the increase in the number of posts for the Indian Administrative Service (Emergency Recruitment) beyond what has already been announced, has been finalised; and

(b) if so, what is the actual number required?

The Minister in the Ministry of Home Affairs (Shri Datar): (a) and (b). No firm figure about the total requirement of I.A.S. personnel has so far been arrived at. An approximate estimate was prepared and announced. All State Governments have now been asked to take into account their requirements in view of the Second Five Year Plan. The actual number to be recruited under the Special Recruitment Scheme will depend:

(*i*) on the final estimate arrived at on the basis of the reports of the State Governments, and

(*ii*) on the availability of candidates of the requisite All-India standard for appointment to the I.A.S.

Regional Industrial Development

189. **Shri Anirudha Sinha** : Will the Minister of **Heavy Industries** be pleased to state :

(a) whether it is a fact that Government have decided to establish Industrial Cells for studying the economic geography of different regions of the country for preparing project reports on the possibilities for regional industrial development ; and

(b) if so, the progress made so far in this direction ?

The Minister of Heavy Industries (Shri M. M. Shah) : (a) Yes, Sir. It has been decided to establish four Zonal Industrial Cells for studying economic geography of each Zone and to assist in collection of data and give technical advice and guidance.

(b) Steps are being taken to recruit the requisite to technical staff.

Commissioned Officers

190. **Shri R. P. Garg** : Will the Minister of **Defence** be pleased to state the number of regular and non-regular Commissioned Officers permitted to apply for the recent emergency recruitment to the Indian Administrative Service ?

The Deputy Minister of Defence (Sardar Majithia) : Regular officers were not permitted, but non-regular officers were permitted to apply for the emergency recruitment to the I. A. S. 243 of the latter applied.

Non-payment of Income-tax

191. **Shri Velayudhan** : Will the Minister of **Finance** be pleased to state :

(a) whether since 1st July, 1956 anybody from the former Travancore-Cochin State has been prosecuted or whether any other action has been taken for non-payment of income-tax ; and

(b) if so, how many persons are involved in it ?

The Minister of Finance and Iron and Steel (Shri T.T. Krishnamachari): (a) and (b). Nobody has been prosecuted. As regards other information, details for the period specified in the question are not separately available. However during the period 1st April 1956 to 30th September 1656, penalties for default in payment of taxes had been imposed under section 46(1) of the Income-tax Act in 245 cases. Garnishee notices have been issued under section 46 (5A) of the Indian Income-tax Act in 20 cases of default of payment of taxes.

Training for Indian Navy

192. **Shri D. C. Sharma** : Will the Minister of **Defence** be pleased to state :

(a) the number of Indians sent abroad for training for the Navy during 1955-56 ; and

(b) the countries to which they were sent ?

The Minister of Defence Organisation (Shri Tyagi) : (a) 76

(b) U. K. and Malta.

Training of Librarians & Museologists

193. **Dr. Ram Subhag Singh**: Will the Minister of **Education** be pleased to state :

(a) whether there is any scheme to send Librarians and Museologists abroad for training purposes ;

(b) if so, the number of personnel that have so far been trained abroad under this scheme ; and

(c) the number of persons who are undergoing training abroad at present under the scheme ?

The Deputy Minister of Education (Dr. M. M. Das) : (a) Yes, Sir ; for training of museologists abroad, there is a scheme.

For librarians, there is no training scheme, but there is a scheme for sending them for short study tours.

(b) 12 librarians were sent for study tour in 1955. No museologist has however been trained abroad so far.

(c) 11 more librarians are now abroad on a study tour.

Special Police Establishment

194. **Shri D. C. Sharma** : Will the Minister of **Home Affairs** be pleased to state :

(a) the amount spent on the Special Police Establishment during the year 1956-57 so far ; and

(b) the items on which it has been spent?

The Minister in the Ministry of Home Affairs (Shri Datar): (a) Rs. 13,70,239/- (upto 30th September, 1956).

(b) As shown in the attached statement [*See* Appendix II, annexure No. 23].

Pakistanis in India

195. { **Shri D. C. Sharma**:
Shri Kamath:

Will the Minister of **Home Affairs** be pleased to state:

(a) the number of Pakistani nationals who came to India during 1956 so for;

(b) the purposes of their visits;

(c) the number of persons who have stayed on after the expiry of the validity of visas during the above period; and

(d) the action taken against them?

The Minister in the Ministry of Home Affairs (Shri Datar): (a) to (b): The information is being collected and Will be laid on the Table of the House in due course.

Welfare Extension Projects in Punjab

196. Shri D. C. Sharma: Will the Minister of **Education** be pleased to state:

(a) the number of Welfare Extension Projects to be opened in the Punjab during the Second Five Year Plan; and

(b) the places of thier location?

The Deputy Minister of Education (Dr. M. M. Das): (a) 84.

(b) The location of the projects has not yet been decided.

Courses in local Self-Government

197. Shri D. C. Sharma: Will the Minister of **Education** be pleased to state:

(a) whether there is any provision in the curriculum of any of the Universities for teaching Local Self-Government as a course;

(b) if so, the names of the Universities;

(c) if not, whether any efforts are being made to make provision for such a course; and

(d) if so, the nature of efforts and gency through which such efforts are being made?

The Deputy Minister of Education (Dr. M. M. Das): (a) and (b): A statement giving the information so far collected is laid on the Table of the Lok Sabha. [*See* Appendix II, annexure No. 24.]

(c) and (d) No, Sir. The matter concerns Universities and State Governments.

Income Tax

198. Shri D.C. Sharma: Will the Minister of **Finance** be pleased to state:

(a) the amount of Income-tax realised from Hoshiarpur and Kangra Districts during the years 1952-53 to 1955-56; and

(b) the amounts realised in each District from persons falling under the various income groups during this period?

The Minister of Finance and Iron and Steel (Shri T.T. Krishnamachari): (a) The amounts of Income-tax realised from Hoshiarpur & Kangra Districts during the years 1952-53 to 1955-56 were:

Figures in lakhs.

	1952-53	1953-54	1954-55	1955-56
Hoshiarpur .	7·44	8·20	10·73	9·42
Kangra . .	·84	1·64	1·00	4·41

(b) The amounts realised in each District from persons falling under the various income groups during this period were:

(Hoshiarpur District) *Figures in thousands*

	1952-53	1953-54	1954-55	1955-56
Assessees with business income over Rs. 25,000	507	563	709	618
Assessees with business income from Rs. 10,000 to Rs 25,000. .	121	123	192	174
Assessees with business income from Rs. 5,000 to Rs. 10,000. .	91	102	129	120
Other cases with business income below Rs. 5,000. .	21	25	32	22
Salary, Property and Dividend income cases.	4	7	11	8
Total .	744	820	1073	942

(Kangra District)—

	Figures in thousands			
	1952-53	1953-54	1954-55	1955-56
Assessees with business income over Rs. 25,000. .	45	80	40	390
Assessees with business income from Rs. 10,000 to Rs. 25,000. .	15	30	28	32
Assessees with business income from Rs. 5,000 to Rs. 10,000. .	13	25	20	8
Other cases with business income below Rs. 5,000. .	7	16	7	6
Salary, Property and Dividend income cases. . .	4	13	5	5
Total .	84	164	100	441

Delhi State Domestic Servants Bill

199. Shri D.C. Sharma; Will the Minister of **Home Affairs** be pleased to state whether the Delhi State Government referred the Domestic Servants Bill to him?

The Minister in the Ministry of Home Affairs (Shri Datar) : Yes.

Aid to Madras for Abolition of Untouchability

200. Shri Veeraswamy : Will the Minister of **Home Affairs** be pleased to state:

(a) the amount allotted to Madras State for work in connection with abolition of untouchability for the year 1956-57;

(b) the names of the organisations aided out of it; and

(c) the schemes implemented till the end of October, 1956, towards abolition of untouchability in that State?

The Minister in the Ministry of Home Affairs (Shri Datar): (a) Rs. 12,89,000/-.

(b) and (c) :The information is being collected and will be laid on the Table of the House in due course.

Social Welfare Centres

201. Shri B. Y. Reddy: Will the Minister of **Education** be pleased to state:

(a) the number of Welfare Extension Projects that are working at present in the State of Andhra Pradesh, and the places of their location;

(b) the total amount allotted so far for these Projects;

(c) the total amount contributed during the same period by public;

(d) the number of 'After-care' and 'Moral Rehabilitation Homes' that are about to be started in Andhra Pradesh during 1956-57;

(e) the amount of money allotted therefor; and

(f) the programmes of these "Homes"?

The Deputy Minister of Education (Dr. M. M. Das): (a) A statement giving the requisite information is attached. [*See* Appendix II, annexure No. 25].

(b) Rs. 5,70,960.

(c) The amount contributed by the public upto the end of 1955-56 was Rs. 86,917. Figures for 1956-57 will be available after the close of the present financial year. It is difficult to evaluate the contributions made in kind.

(d) 3 Homes and 10 Shelters.

(e) Rs. 1,99,121.

(f) The main features of the programme will be reception, classification, care, maintenance and training of persons released from correctional and non-correctional institutions and women in moral danger.

Institution for the Deaf and the Dumb

202. Shri Bheekha Bhai: Will the Minister of **Education** be pleased to state:

(a) whether Government are subsidising any institution for the deaf and the dumb; and

(b) if so, the grants-in-aid made to any Deaf and Dumb society during 1956?

The Deputy Minister of Education (Dr. M. M. Das): (a) Yes, Sir.

(b) A statement giving the requisite information is attached. [*See* appendix II, annexure No. 26].

Multi-purpose Schools

203. Shri Jethalal Joshi : Will the Minister of **Education** be pleased to state :

(a) the number and names of schools which received grant from the Central

Government for construction of buildings and equipment in order to convert them into multi-purpose schools in Saurashtra in 1954-55, 1955-56 and upto 31st October, 1956; and

(b) the number of schools which utilised the grants for the same purpose and have started working as multi-purpose schools?

The Deputy Minister of Education (Dr. M. M. Das): (a) and (b): The information is being collected from the State Government of Bombay and will be furnished later.

पाकिस्तानी नागरिक

२०४. श्री रघुनाथ सिंह : क्या गृह-कार्य मंत्री यह बताने की कृपा करेंगे कि हैदराबाद में पिछले छः महीनों में कितने पाकिस्तानी नागरिकों को अनधिकारिक रूप से अथवा बिना सरकारी अनुमति प्राप्त किये भारत में प्रवेश करने पर गिरफ्तार किया गया है ?

गृह-कार्य मंत्रालय में मंत्री (श्री दातार) : एक ।

Indian Industrial Fair Site

205. { **Sardar Iqbal Singh:**
Sardar Akarpuri:

Will the Minister of **Heavy Industries** be pleased to refer to the reply given to Unstarred Question No. 1342 on the 5th September, 1956 and state the details of decision regarding the conversion of the site of the Indian Industries Fair into a permanent exhibition ground?

The Minister of Heavy Industries (Shri M. M. Shah): The details are still being worked out.

Soviet Mining Experts

206. { **Sardar Iqbal Singh:**
Sardar Akarpuri:

Will the Minister of **Natural Resources and Scientific Research** be pleased to refer to the reply given to Starred Question No. 1901 on the 7th September 1956 and lay a statement on the Table showing:

(a) the details of the recommendations of the Soviet mining experts regarding the copper mining industry; and

(b) the action taken by Government on those recommendations?

The Minister of Natural Resources (Shri K. D. Malaviya): (a) A statement giving the principal recommendations of the Soviet experts regarding Copper Mining Industry is laid on the Table of the House. [*See* Appendix II, annexure No. 27]. A copy of the complete report of these experts is available in the Library.

(b) The matter is under consideration of the Ministry's technical experts.

Honorary Service

207. { **Sardar Iqbal Singh:**
Sardar Akarpuri:

Will the Minister of **Home Affairs** be pleased to state:

(a) the number of persons serving as Gazetted Officers in an honorary capacity in different Ministries at present either with or without a token pay of Re. 1/- per month; and

(b) what are their powers and functions:

The Minister in the Ministry of Home Affairs (Shri Datar): (a) According to the information collected in April last year, the number of Gazetted officers serving under the Central Government in an honorary capacity on the 31st October, 1954 was 24. Upto-date information is being collected and will be placed on the Table of the House.

(b) The powers and functions of such honorary workers depend on the nature of the work attached to the posts to which they are appointed. But generally the services of an honorary worker are utilised only in an advisory capacity.

Cultural Scholarships

208. { **Sardar Iqbal Singh:**
Sardar Akarpuri:

Will the Minister of **Education** be pleased to refer to the reply given to Starred Question No. 1289 on the 22nd August, 1956, and state:

(a) the total amount spent on cultural scholarships to (i) foreign students and (ii) students of Indian origin abroad, during 1955-56; and

(b) the total number of students benefited by such scholarships so far?

The Deputy Minister of Education (Dr. M. M. Das): (a) (i) Rs. 4,97,351-10-6

(ii) Rs. 2,32,860-0-0

(b) 348.

Rupar Finds

209. { **Sardar Iqbal Singh:**
Sardar Akarpuri:

Will the Minister of **Education** be pleased to state:

(a) whether it is a fact that the Archaeological finds in Rupar in Punjab are being examined by the Archaeological Department;

(b) whether any steps have been taken to protect them from destruction; and

(c) if so, the steps already taken by Government?

The Deputy Minister of Education (Dr. M. M. Das): (a) Yes, Sir.

(b) and (c): A permanent chowkidar at the site has been posted to safeguard the excavated remains. Proper drainage has been provided so that rain water may not cause damage.

Multipurpose Schools

210. { **Sardar Akarpuri:**
Sardar Iqbal Singh:

Will the Minister of **Education** be pleased to lay on the Table a statement showing the names of multi-purpose schools in Delhi and Himachal Pradesh for which central aid has been given in 1955-56 or will be given in 1956-57 together with the amount for each of them?

The Deputy Minister of Education (Dr. M. M. Das): No central grant was sanctioned for the former Delhi State during 1955-56 for conversion of High Schools into multi-purpose schools. Similarly no central grant was sanctioned to Himachal Pradesh during 1955-56 as no proposals were received from them.

No central grant has yet been given to the two States (now centrally administered territories) during 1956-57, but is likely to be given in due course.

Regional School of Printing, Delhi

211. { **Sardar Iqbal Singh:**
Sardar Akarpuri:

Will the Minister of **Education** be pleased to state the present position of the proposal for establishment of a Regional School of Printing in Delhi?

The Deputy Minister of Education (Dr. M. M. Das): The details of the scheme of establishment of a printing school in the Delhi Polytechnic are being worked out.

Oil and Natural Gas Commission

212. Shri Shree Narayan Das: Will the Minister of **Natural Resources and Scientific Research** be pleased to state:

(a) whether the Oil and Natural Gas Commission has formulated any plan of work for the current year; and

(b) if so, the important features there of?

The Minister of Natural Resources (Shri K. D. Malaviya): (a) and (b): The important features of work of the Oil and Natural Gas Commission formulated for the current year, are as follows:

I. *Jwalamukhi area in the Punjab*:

(a) Geological Mapping.
(b) Seismic Investigations.
(c) Gravity *cum* Magnetic Survey.
(d) Deep Drilling.
(e) Core Drilling.

II. Jaisalmer area (Rajasthan):

(a) Geological Mapping.
(b) Seismic investigations.
(c) Gravity *cum* Magnetic Survey.

III. Cambay-Kutch:

(a) Geological Mapping.
(b) Seismic investigations
(c) Gravity *cum* Magnetic Surveys.

IV. Ganga Valley:

(a) Gravity and Magnetic Survey.
(b) Seismic Survey.

Collection of Jenmikarom Dues

213. Shri V. P. Nayar: Will the Minister of **Home Affairs** be pleased to state:

(a) whether till 1st November, 1956 the Government of Travancore-Cochin State was collecting the Jenmikarom dues of the landlords, as the authorised agent of Jenmies and if so, for what remuneration; and

(b) what percentage of Governmental expenses in such collection as the landlord's agent was being met by the remuneration commission taken or the agency work?

The Minister in the Ministry of Home Affairs (Shri Datar): (a) The Travancore-Cochin Government was collecting Jenmikaroms under the "Travancore Jenmi and Kudiyan (Amendment) Regulation, 1108, for a remuneration of 2½ percent of the amount collected.

(b) Nearly 50% of Government's expenses were being met by the remuneration taken.

[*Wednesday 21st November,* 1956]

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Room No. F[illegible]-025
Block 'G'
2564
Dated 23.03.2015

LOK SABHA

Wednesday, 21st November, 1956

The Lok Sabha met at Eleven of the Clock

[MR. SPEAKER *in the Chair*]

QUESTIONS AND ANSWERS

(*See* Part I)

12-02 hrs.

PAPER LAID ON THE TABLE

DRAFT NOTIFICATION UNDER COMPANIES ACT

The Minister of Revenue and Civil Expenditure (Shri M. C. Shah): Sir, I beg to lay on the Table, under sub-section (2) of section 620 of the Companies Act, 1956, a copy of the draft notification proposed to be issued under sub-section (1) of section 620 of the Companies Act, 1956. [*Placed in Library. See* No. S-473/56]

COMMITTEE ON PRIVATE MEMBERS' BILLS AND RESOLUTIONS

SIXTY-THIRD REPORT

Sardar Hukam Singh (Kapurthala-Bhatinda): Sir, I beg to present the Sixty-third Report of the Committee on Private Members' Bills and Resolutions.

SUPPRESSION OF IMMORAL TRAFFIC IN WOMEN AND GIRLS BILL

*REPORT OF SELECT COMMITTEE

Pandit Thakur Das Bhargava (Gurgaon): Sir, I beg to present the Report of the Select Committee on the Bill to provide in pursuance of the International Convention signed at New York on the 9th day of May, 1950 for the suppression of immoral traffic in women and girls.

PETITION *RE* RAILWAY TIME-TABLES AND GUIDES

Shri B. S. Murthy (Eluru): Sir, I beg to present a petition signed by a petitioner suggesting improvements in the publication of Railway Time-tables and Guides.

CENTRAL SALES TAX BILL**

The Minister of Finance and Iron and Steel (Shri T. T. Krishnamachari): Sir, I beg to move for leave to introduce a Bill to formulate principles for determining when a sale or purchase of goods takes place in the course of inter-state trade or commerce or outside a State or in the course of import into or export from India, to provide for the levy, collection and distribution of taxes on sales of goods in the course of inter-State trade or commerce and to declare certain goods to be of special importance in inter-State trade or commerce and specify the restrictions and conditions to which State laws imposing taxes on the sale or purchase of such goods of special importance shall be subject.

Mr. Speaker: The question is:

> "That leave be granted to introduce a Bill to formulate principles for determining when a sale or purchase of goods takes place in the course of inter-State trade or commerce or outside a State or in the course of import into or export from India, to provide for the levy, collection and distribution of taxes on sales of goods in

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*Published in the Gazette of India Extraordinary Part II—Section 2, dated 21-11-56 pp.885·1 to 885·30.

**Published in the Gazette of India Extraordinary Part II—Section 2, dated 21-11-56 pp. 857-68.

[Mr. Speaker]

the course of inter-State trade or commerce and to declare certain goods to be of special importance in inter-State trade or commerce and specify the restrictions and conditions to which State laws imposing taxes on the sale or purchase of such goods of special importance shall be subject."

The motion was adopted.

Shri T. T. Krishnamachari: Sir, I introduce* the Bill.

REPRESENTATION OF THE PEOPLE (FOURTH AMENDMENT) BILL**

The Minister of Law and Minority Affairs (Shri Biswas): Sir, on behalf of Shri Pataskar, I beg to move for leave to introduce a Bill further to amend the Representation of the People Act, 1950.

Mr. Speaker: The question is:

> "That leave be granted to introduce a Bill further to amend the Representation of the People Act, 1950."

The motion was adopted.

Shri Biswas: Sir, I introduce the Bill.

DISPLACED PERSONS (COMPENSATION AND REHABILITATION) AMENDMENT BILL†

The Minister of Rehabilitation (Shri Mehr Chand Khanna): Sir, I beg to move for leave to introduce a Bill to amend the Displaced Persons (Compensation and Rehabilitation) Act, 1954.

Mr. Speaker: The question is:

> "That leave be granted to introduce a Bill to amend the Displaced Persons (Compensation and Rehabilitation) Act, 1954."

The motion was adopted.

Shri Mehr Chand Khanna: Sir, I introduce the Bill.

ADMINISTRATION OF EVACUEE PROPERTY (AMENDMENT) BILL‡

The Minister of Rehabilitation (Shri Mehr Chand Khanna): Sir, I beg to move for leave to introduce a Bill further to amend the Administration of Evacuee Property Act, 1950.

Mr. Speaker: The question is:

> "That leave be granted to introduce a Bill further to amend the Administration of Evacuee Property Act, 1950."

The motion was adopted.

Shri Mehr Chand Khanna: Sir, I introduce the Bill.

PAPERS LAID ON THE TABLE

STATEMENT RE ORDINANCES PROMULGATED

Representation of the People (Amendment) Ordinance

The Minister of Law and Minority Affairs (Shri Biswas): Sir, on behalf of Shri Pataskar, I beg to lay on the Table a copy of the explanatory statement giving reasons for immediate legislation by the Representation of the People (Amendment) Ordinance, 1956 (No. 9 of 1956) as required under Rule 89(1) of the Rules of Procedure and Conduct of Business in Lok Sabha. [*See* Appendix II, annexure No. 28].

Displaced Persons (Compensation and Rehabilitation) Amendment Ordinance

The Minister of Rehabilitation (Shri Mehr Chand Khanna)› Sir, I beg to lay on the Table a copy of the explanatory statement giving reasons for immediate legislation by the Displaced Persons (Compensation and Rehabilitation) Amendment Ordinance, 1956 (No. 7 of 1956) as required under Rule 89(1) of the Rules of Procedure and Conduct of Business in Lok Sabha. [*See* Appendix II, annexure No. 29].

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*Introduced with the recommendation of the President.

**Published in the Gazette of India Extraordinary Part II—Section 2, dated 21-11-56 pp. 869-70.

†Published in the Gazette of India Extraordinary Part II—Section 2. dated 21-11-56 pp. 871-77.

‡Published in the Gazette of India Extraordinary Part II—Section 2, dated 21-11-56 pp. 878-85.

Administration of Evacuee Property (Amendment) Ordinance

Shri Mehr Chand Khanna: Sir, I beg to lay on the Table a copy of the explanatory statement giving reasons for immediate legislation by the Administration of Evacuee Property (Amendment) Ordinance, 1956 (No. 6 of 1956) as required under Rule 89(1) of the Rules of Procedure and Conduct of Business in Lok Sabha. [*See* Appendix II, annexure No. 30].

TERMINAL TAX ON RAILWAY PASSENGERS BILL—*Concld.*

Mr. Speaker: The next item on the agenda is "Bills for consideration and passing". Here the States Reorganisation (Amendment) Bill is put as the first item. There is another item, item No. 11, which is, further consideration of the motion moved by Shri Alagesan. Normally, whenever a Bill or a particular resolution is taken up, partly heard and is before the House, that must be given preference over all items of the same category unless the hon. Minister concerned says that there is some urgency for a particular item due to which the other item ought to be superseded. I suppose that procedure will be followed hereafter.

But today I do not find that there is any particular urgency to take up this Bill first. Is Shri Pataskar here so that we may know the urgency for taking up this Bill first?

The Minister of Law and Minority Affairs (Shri Biswas): If you will permit me, Sir, I shall move the motion for consideration on behalf of Shri Pataskar.

Shri K. K. Basu (Diamond Harbour): He wants to know the urgency for taking it up.

Mr. Speaker: So no arguments stating the urgency have been placed before the House. Therefore, why not we take up the Terminal Tax on Railway Passengers Bill? We shall now take up further consideration of the following motion moved by Shri Alagesan on 16th November, 1956, namely:

> "That the Bill to provide for the levy of a terminal tax on passengers carried by railway from or to certain places of pilgrimage or where fairs, melas or exhibitions are held, be taken into consideration."

The hon. Minister may reply.

The Deputy Minister of Railways and Transport (Shri Alagesan): Sir, the other day there was a request on behalf of the House that some more information relating to this Bill should be supplied to the House. The information that was sought related to......

Mr. Speaker: I do not mean that I have closed the debate. I looked to this side and nobody stood up. Therefore, I called upon the Minister to reply.

Shri Ramachandra Reddi (Nellore): The hon. Minister has circulated a note the other day. A number of amendments have also been given notice of. Therefore, opportunity must be given to Members who have given notice of amendments to speak on them. So far today nobody has been called.

Mr. Speaker: I will allow them on clauses.

Shri M. K. Moitra (Calcutta-North-West): The consideration stage has not yet passed.

Mr. Speaker: Hon. Members who wanted to speak should have risen in their seats. I looked to this side and nobody stood up. The hon. Minister has to reply and therefore I requested him to reply. What is the actual position?

Shri Ramachandra Reddi: We were eagerly expecting the hon. Minister to say something more regarding the memorandum which he has supplied

[Shri Ramachandra Reddi]

to the Members. It is not that the hon. Members are unwilling to speak on the subject.

Mr. Speaker: The hon. Minister has taken 19 minutes only. Did he close his speech the other day? I think he completed his preliminary remarks the other day.

Shri Alagesan: I completed my remarks and also two other hon. Members participated in the debate thereafter. It was they who wanted to have certain further information to be circulated to the House and it was done.

Mr. Speaker: When I requested the hon. Minister to reply, why did the hon. Members not stand up? Anyway, I will allow sufficient time to them during the clause-by-clause stage and they may speak on whatever amendment they have given notice of. I have no objection. I shall call upon those hon. Members who have not spoken so far.

Shri Raghavachari (Penukonda): The point is that last time, the hon. Members wanted some information to enable them to make their observations during the general consideration of the Bill, and the Minister has supplied certain facts now.

Mr. Speaker: Then, why did not any hon. Member get up here?

Shri Raghavachari: There was some confusion. You were speaking about Shri Pataskar's Bill.

Shri K. K. Basu: Let the request be withdrawn.

Shri M. K. Moitra: We were anxious to know what the position was with regard to Shri Pataskar's Bill.

Mr. Speaker: That will be taken up after Shri Alagesan's Bill. I would request the hon. Minister to reply later on. Now, are there any hon. Members wishing to participate? I mean of course those who have not yet spoken on this subject.

Some Hon. Members *rose.*

Mr. Speaker: Well, I call upon Shri Ramachandra Reddi.

Shri Ramachandra Reddi: Sir, while I welcome this Bill for the levy of a terminal tax with a view to help the municipalities and local boards by way of augmenting their resources to improve the sanitary and other arrangements in their respective localities during festival times, I have got a few suggestions and also a few amendments given notice of. I would like to dwell upon them very briefly.

The note that has been circulated tells us that the cost of collection has been worked out to be 2·7 per cent. of the amount collected. They now want to limit the commission recoverable to the extent of three per cent. I feel that it is a very high percentage and to recover that much amount is not called for at all. That is why I have said in my amendment No. 1 that the collection charges might be limited to one per cent of the total collections. After all, the railway is not going to incur any special expenditure for collection. In all these cases, the additional charge is printed on the ticket itself, and no additional charge will be incurred by them for additional printing on this behalf. I therefore suggest that the percentage should not exceed one per cent. It is needless to say that the railways will not be in anyway adversely affected by reducing the percentage to one per cent.

I may also add that these are occasions which give special advantage to the railway revenues also. The railway revenues are automatically enhanced when melas and festivals are held in certain places and the railways must be thankful to the localities for having organised these festivals, because they will add to the revenues of the railways. I therefore see no reason why a percentage beyond one per cent. should be allowed as collection charges.

Then, in my amendment No. 3, I have suggested that pass and season ticket-holders also must be exempted. Of course, the Government amendment says that free pass-holders would be exempted. I would also add that the season ticket-holders also should come under this category, because, every season ticket-holder purchases a ticket for three months or so, and if they are going to be assessed afresh for this purpose, every time they get into the train to go to those particular places, they will have to purchase a new or additional ticket to enable them to travel to those places. So, I suggest that my amendment No. 3 might be accepted by the Government.

Taking the schedule into consideration, I suggest a slight alteration. I suggest that there should be a difference between air-conditioned and first-class rates, and therefore, I have given notice of an amendment that first-class should be separated and a different rate should be levied for it. I am afraid that the Government have been under the impression that the first-class rates that prevailed sometime back are the same now. As a matter of fact, sometime back, the difference between the first-class rates and air-conditioned rates was negligible. Now, the air-conditioned rates have been more than double. That of I class. So, commensurate with the reduction in the charges for first-class, which have come into force since some months past, I should think a separate class must be created here since second-class also exists today. As such, I suggest that for first-class the rate should be one rupee in respect of a single ticket and Rs. 2 in respect of a return ticket. This is in modification of the suggestion made by the Government which brackets both air-conditioned and first-class. The first-class of today is not the same as the first-class of some years back and the charges also have come down considerably.

Then, to differentiate between first-class and second-class, I have suggested a rate which comes to twelve annas in respect of a single ticket and Rs. 1-8-0, in respect of a return ticket, in the case of the second-class. So, there is need to reconsider the schedule and amend it in the way I have suggested.

In this connection, I would also suggest that there must be a co-ordination between the State Government and the Central Government in utilising all the funds that are handed over to the local bodies. I am not quite sure that the State Governments are having an effective control over the expenditure of these amounts. It is stated in the note that the railways pass on these amounts directly to the local bodies concerned and in certain cases inform the State Governments. I should think that there must be a proper scrutiny of the expenditure of these amounts and the State Governments also must be held responsible for the proper check up and auditing. As a matter of fact, audit is not the only source of investigation and correction. As such, it is very necessary that the Railway Department, when it passes on its collections to local board, must have some consultation with the State Governments and the State Governments must have some control over the expenditure by these local boards. These suggestions are all simple enough and they might be accepted by the Government. If they deem it necessary, they might by an amendment bring in the State Government also to have a proper check on the administration of the funds handed over to the local boards.

Shri Raghavachari: I generally support the arguments of the previous speaker in support of some modifications. I particularly want to stress one thing and that is the schedule of rates proposed is far in excess of the requirements and the conditions in the country. No doubt I may be answered by Government that it is the maximum and we are not always going to levy the maximum. But unfortunately the situation will develop like this. When the Central Government under the legislation has the right to levy a particular rate, the States will go on agitating and pressing for the higher rates to be enforced and the poor travellers will have no option but to pay the whole thing. From the information that is supplied to us I find that except in the case of Kumbh

[Shri Raghavachari]

Mela where it was Rs. 1-8-0 the highest rate, in the other cases it works out to about 12 annas per higher class or much lower. Therefore I urge that there is no need to have this rate of schedule and that it must be brought down by 50 per cent. Otherwise, when a general power is given to the Central Government by notification to announce that this tax will be levied in respect of almost all conceivable stations, anything may happen. They have only to issue a notification. Therefore, it is very necessary that in the Schedule the maximum must be within the conceivable capacity of the passengers.

Then, my hon. friend Mr. Reddi was saying that there must be some scrutiny over funds by audit and all that. Even now the local boards levy these taxes and they are collected under this head or that head and the expenditure is all audited. But we know what audit the officers of the locality do. Some tenders are called, some vouchers and papers are looked into and all are ticked. That is how the audit is going on now.

Then, there must be some particular items for which this sum must be expended. The details will have to be worked out and they will have to be incorporated in the orders rather than in the Act itself.

The Constitution requires Parliament by law to legislate about terminal tax and the terminal tax should be not only for the journey by rail but by sea and air also. My point is that they might as well have taken the power to tax for air and sea journey also though they need not exercise that power right now. They could have done this here itself rather than having another piece of legislation at a later date.

Then there is one doubt that occurs in my mind about the free zone. They have provided some free zones within particular distances and have stated that persons travelling within a notified area will be exempt. Though they have fixed the limit as 40 miles, they have further restricted it by saying that it can be reduced by the Central Government. The free zone must be something which is definitely known rather than allowed to be altered and if this is allowed the 40 miles may be reduced to four miles. The free zone must be a fairly convenient and conceivable zone. But you are taking powers to reduce it further. That means, you might make it two miles. So you are practically nullifying it.

Then, you have provided that within a free zone there will be no tax. Suppose, a long distance passenger purchases a ticket up to the stations in the free zone. Then he will get a ticket from the free zone to evade the tax. The only thing is he will have to make arrangements this way for purchase of another ticket. Therefore, there is a possibility of leakage of the tax that you have provided. I examined the Act and I found that there is no provision against this kind of thing. It may go on; it is possible.

Shri N. R. Muniswamy (Wandiwash): I am going to make only a very few suggestions. So far as the free zone is concerned, there is bound to be certain losses as the previous speaker has been telling us. If any person has to pass through a locality where terminal tax is collected, he will first get a ticket to the free zone and from there he will proceed to his destination. Now when you have a free zone, persons coming from and going to that place will be exempt from the terminal tax. So, if you have this free zone, it will be made use of for change over though it may involve certain delay and inconvenience them. As my hon. friend was saying, we will have to avoid all free zones. Otherwise, you will have to levy one anna or 1½ annas from those passengers. This will be an additional income to the local boards and the State Governments. So you have altogether to eliminate this free zone from the Act.

Then, clause 4 indicates that the free zone will be for a distance of 40 miles. But the people who go to that particular centre will be seasonal. I do not think that throughout the year pilgrims will go to that place for they cannot afford it. They go only during certain periods. So, if we eliminate it we will be getting a large amount of money and that will be adding to the financial capacity of the local boards as well as the State Government. Therefore, free zones have to be eliminated altogether from this Act.

Then I come to the schedule of rates. I find from the Memorandum that has been circulated that it is nowhere more than 12 annas in the case of first class passengers. Now we have eliminated the first class and have replaced in its place the original second class. Therefore, the difference in fare between the present first class and the air-conditioned class is double. When there is so much difference in fares between the air-conditioned and the first class, we should not have such discriminatory treatment so far as the terminal tax is concerned. So far as the first class is concerned, the change is only in nomenclature. In those days when the original first class was in vogue, there was only a surcharge of ¼ anna per mile for air-conditioned. Now the first class is the original second class. So we have to make certain changes as regards the levy of this tax. So far as the 2:7 per cent. of collection charges from out of the total profits of the terminal taxes, I am opposed in the sense that no additional staff is involved in collecting those additional taxes. The same staff may have to maintain one extra column about the additional terminal tax. It may be that later on action may have to be taken in sending the money to the respective State or Union Government. As it is not going to involve any additional staff, this deduction of the collection charges does not seem to be fair. I may say that the Government of India are discharging their duty towards the people of India and this may come as a contribution from the Railway Ministry and this will add to the financial capacity of the local boards and State Governments.

My hon. friend has suggested that both the seasonal parties and pilgrims go and it is an additional income for the Railways also. There is an additional income for the Railway exchequer and this they can certainly part with willingly so far as this part of the revenue is concerned. Therefore, I am commending my amendment No. 5. This amendment is in consonance with my idea of omitting clause 4 of the present Bill. It will also be in consonance with the socialistic pattern of society, which we are trying to bring about and every person who comes to the melas, fares etc. will pay only one anna—I am only insisting that the maximum rate of terminal tax should be one anna on every third class passenger irrespective of the distance he has to travel for attending places of pilgrimage, melas and fairs. With these observations, I commend my amendment.

Shri M. K. Moitra: Mr. Speaker, Sir, on principle, I am opposed to the imposition of any indirect cess or tax on the people. In this matter, I am encouraged by the statement that the Railway Ministry placed before the Taxation Inquiry Committee, which runs as follows:—

> "The taxes when levied have the same ultimate effect as an enhancement of the fares and freights. The question, therefore, arises, should the Railways not maximise their income by increasing the fares and freights to the extent traffic can bear the taxes? In other words, if there is scope for taxation, there is scope for increase in fares and freights."

This is the statement that the Railway Ministry made before the Taxation Inquiry Committee and the Minister can find it on page 198 of the report.

Therefore, whenever these sorts of levies and indirect taxes are sought to be raised, it appears to be the thin end of the wedge. Already the people have been overburdened with the high rate of freights and on that principle, I am opposed to the levy of

[Shri M. K. Moitra]

any taxes on the existing rate of freight on the railway passengers. It is said that people go on pilgrimage, attend melas, fairs and exhibitions. Considering the rate of literacy in our country, these melas and exhibitions have got some educative value and the people should be encouraged to visit them in order to increase their store of knowledge. When you impose a terminal tax for visiting those educative exhibitions or melas on people, you indirectly impose a tax on the spread of knowledge. The preceding speakers have objected to the rate of levies collected. I will voice my support to that objection.

I may point out that in comparison with the first class and second class taxes, the taxes imposed on third class passengers are really heavy. You have imposed Re. 1-8-0 on the first class passengers and Re. 0-8-0 on the third class passengers. What is the income of the common people? What is his *per capita* income? Is this rate commensurate with the *per capita* income of the common people? Therefore I would suggest that the rate of terminal tax levied on the first class passengers may rermain as it is in the Bill but the third class levy should be reduced to one anna. Let it be a token tax. Already it will be tax on the spread of knowledge. Therefore I say: let it be a tokem tax if it is to be imposed on the common people.

Now I wish to point out one lacuna to the Minister incharge of the Bill. If you look to clause 9, you will find that that children not over three years of age have been exempted. But for children over three years of age and under 12 years of age, there is no provision in the Bill to charge half the tax. If you look into the note, that has been circulated, you will find that those purchasing half tickets have been levied those charges. In this Bill also this provision had been made. I hope the Minister in charge will remove this lacuna and I still hope that if he can, the Minister in charge would stand by the opinion his Ministry expressed before the Taxation Inquiry Committee and withdraw this Bill.

Shri Veeraswamy (Mayuram-Reserved-Sch. Castes): Sir, I strongly oppose the rate of tax to be levied from the third class passengers. For the passengers who are going to places of worship, that is, to places where festivals and melas are being conducted, the rate of terminal tax is Re. 0-8-0 for a single ticket and one rupee for a return ticket. This is for a radius of 40 miles and above; this rate is very high for poor people who go to festivals, melas and other places where exhibitions are being held, and, therefore, I suggest to the Government that this rate may be reduced to a minimum of 1 anna as stated by my hon. friend, Shri N. R. Muniswamy in his speech. This radius of 40 miles may be reduced to a radius of 25 miles, for if the people are very particular about going to places to worship gods and goddesses, let them pay at least one anna as terminal tax and from 26 to 75 miles, the rate of tax to be levied may be 2 annas, and from 75 miles to 100 miles 4 annas and above 100 miles, the rate of terminal tax may be 8 annas for the third class passengers, because I feel that those who can afford to pay for long distances can surely pay 8 annas. That will be the maximum rate of the terminal tax to be levied. The minimum rate will be one anna. The radius may be reduced to 25 miles so that, as Shri N. R. Muniswamy suggested, we will be getting a large amount of money from the people who go to places where festivals, exhibitions and melas are being conducted.

I very strongly oppose this rate of 8 annas to be levied from third class passengers. Therefore, I hope and trust that the Railway Ministry will reduce the rate to be levied from third class passengers to the minimum of one anna. That is all I have to say.

श्री भक्त दर्शन (जिला गढ़वाल पूर्व व जिला मुरादाबाद उत्तर पूर्व) : अध्यक्ष महोदय, मैं इस विधेयक का हृदय से समर्थन करता हूं । मैं इसलिये समर्थन करता हूं

कि मैंने स्वयं अपने अनुभव से देखा है कि हरिद्वार जैसी जगहों में टर्मिनल टैक्स (सीमा-कर) से जो आमदनी होती है उससे वहां की सुन्दरता बढ़ी है । जो सज्जन वहां गये हैं, स्वयं हमारे अध्यक्ष महोदय वहां गए हैं, उन्होंने देखा होगा कि टर्मिनल टैक्स (सीमा-कर) की सहायता से वहां का कितना विकास किया गया है, वहां के घाटों को कितना सुधारा गया है । वहां बहुत ज्यादा उन्नति हुई है । मैं सब तीर्थ स्थानों के सम्बन्ध में ऐसा ही समझता हूं कि इस रुपये का अच्छा उपयोग किया जा रहा है । मुझे शिकायत है तो केवल यह कि उन तीर्थ स्थानों को ही यह सुविधा दी जा रही है जो कि रेलवे लाइन पर हैं । बहुत से तीर्थ स्थान ऐसे हैं जो रेलवे लाइन पर नहीं हैं । वह इस सुविधा से वंचित रह जायेंगे । मैं आपके सामने बद्रीनाथ का उदाहरण रखता हूं । हमारे उपमंत्री महोदय वहां हो आये हैं । वहां का विकास करने की बड़ी आवश्यकता है, लेकिन मन्दिर कमेटी के पास रुपया नहीं है । प्रति वर्ष वहां लाख दो लाख यात्री जाते हैं । यदि यह टर्मिनल टैक्स वहां लगा दिया जाय और जो वहां जाते हैं उनसे पैसा वसूल कर लिया जाय तो मैं समझता हूं कि वहां काफी विकास हो सकता है । चूंकि यह विधेयक रेलवे से सम्बद्ध है, इसलिये इसके अन्तर्गत यह बात नहीं आयेगी, लेकिन मैं मंत्री महोदय से अनुरोध करूंगा कि कोई ऐसा उपाय सोचा जाय जिससे ऐसे तीर्थ स्थानों पर भी ऐसी व्यवस्था की जा सके जो कि रेलवे लाइन पर नहीं हैं ।

मेरे कुछ मित्रों ने, खास कर मैत्र साहब ने, इस बात का सिद्धान्ततः विरोध किया है कि इस तरह का टैक्स न लगाया जाय । मैं तो उनसे बहुत नम्रता के साथ यह अनुरोध करना चाहता हूं कि हमें करों के सिद्धान्त का विरोध तो नहीं करना चाहिये । इस विधेयक में जो कर लगाये गये हैं वे देखने में पहली नजर में तो ज्यादा जान पड़े, लेकिन मेमोरैन्डम (ज्ञापन) रेलवे मिनिस्ट्री की ओर से दिया गया है, उसे देखने से मालूम होता है कि वास्तव में और व्यवहार में इस समय यह कर अधिक नहीं लगाया गया है । थर्ड क्लास के पैसेन्जर के लिये कहीं दो आने से बढ़ कर टैक्स नहीं है, किसी खास मौके की बात दूसरी है, जैसे इलाहाबाद में कुम्भ मेला होता है, जिसमें लाखों आदमी बिना बुलाये जाते हैं और उनका इन्तजाम करना मुश्किल हो जाता है । वहां पर तीसरे दर्जे के मुसाफिरों के लिए ८ आना कर लगाया गया था । परन्तु मैं तो एक आश्वासन अपने मंत्री महोदय से चाहता हूं कि जो अधिकतम कर निर्धारित किया गया है उस का उपयोग केवल विशेष दशाओं में ही किया जाये । साधारणतः जो रेट इस समय तक लगे हुये हैं, वे न बढ़ाये जायें । मुझे आशा है कि रेलवे मंत्री महोदय ऐसा आश्वासन देने की कृपा करेंगे ।

जैसा कि मैं ने कहा कि दूसरी बात यह है कि जिसके कारण मैं इस बढ़े हुये टैक्स का समर्थन करना चाहता हूं कि मैं ने स्वयं हरद्वार के कुम्भ में देखा है, दो तीन बार मुझे वहां का कुम्भ देखने का अवसर मिला है, कि जो पिछले बड़े बड़े कुम्भ हुये, उन में इतने आदमी आते थे कि कई लोग तो कुचल कर मर जाते थे । उनका इन्तजाम नहीं हो पाता था, सैनिटेशन (सफाई) की हालत भी बहुत खराब थी । लेकिन सन् १९५५ में जब टैक्स लगाया गया तो उसकी वजह से जैसी उम्मीद की जाती थी कि १५ लाख यात्री आयेंगे, उसके स्थान पर केवल ५ या ७ लाख यात्री आये, उनका इन्तजाम बहुत अच्छा हुआ, लेकिन रेलवे की आमदनी में कोई अन्तर नहीं पड़ा है ।

एक माननीय सदस्य : आदमी तो मरे थे ।

श्री भक्त दर्शन : कोई मरा नहीं था, सब जीवित हैं । इसलिये मैं इस विधेयक में बढ़े हुये टैक्स का इस संशोधन के साथ समर्थन करता हूं कि माननीय मंत्री महोदय कृपा करके यह आश्वासन जरूर दें कि जो हमारे

[श्री भक्त दर्शन]

देश के बड़े-बड़े मेले हैं, केवल उन अवसरों पर ही बढ़ा हुआ टैक्स लिया जायेगा । साधारणतः वही टैक्स लगता रहेगा, जो इस समय लागू है ।

मैं ने एक और संशोधन देने की सूचना दी है । पैरा ४ में यह बतलाया गया है और स्वयं इस मेमोरैन्डम में दिया गया है कि इस समय ३० मील तक के मुसाफिरों से यह कर नहीं लिया जाता, और उन्होंने स्वयं सिफारिश की है कि ४० मील तक के यात्रियों से यह कर न लिया जाय, लेकिन इसमें एक क्लौज (खण्ड) ऐसा जोड़ दिया गया है कि —

> "....or within such shorter distances from that place as the Central Government may, by notification in the Official Gazette, specify."

इसका मतलब यह है कि ४० मील तक के लिये कर नहीं लिया जायेगा, लेकिन केन्द्रीय सरकार जहां चाहेगी वहां यह छूट नहीं देगी । हो सकता है कि १५ या २० मील पर ही वह लेने लगे । यह गलत है । जो कृपा वह बायें हाथ से कर रहे हैं, उसे दाहिने हाथ से छीन रहे हैं । उनको अपनी कृपा सब के लिये वैसी ही बनाये रखनी चाहिये और जो ४० मील का नियम है उसका दृढ़ता के साथ पालन करना चाहिये । इसी लिये मैं ने एक संशोधन देने की सूचना दी है कि ४० मील से अधिक के यात्रियों पर ही यह टैक्स लगाया जाये ।

मेरे मित्र श्री राम चन्द्र रेड्डी ने एक संशोधन देने की सूचना दी है कि जो कलेक्शन चार्जेज हैं वह १ प्रतिशत से ज्यादा नहीं होना चाहिये । रेलवे मिनिस्ट्री ने जो एक्स्प्लेनेटरी नोट (व्याख्यात्मक टिप्पण) दिया है उसमें स्वयं बताया है कि खर्च २.७ से अधिक नहीं आता है । इसका अर्थ यह हुआ कि ३ प्रति शत तक वह वसूल करे तो जायज है । इससे ज्यादा उन्हें नहीं लेना चाहिये । म रेलवे मंत्री से अनुरोध करना चाहता हूं कि कहीं उनके कर्मचारी उन से ज्यादा उत्साही न सिद्ध हों और ३ परसेंट से बढ़ा कर १० परसेंट तक न ले लें । इसलिये इस ऐक्ट के अन्दर स्पष्ट कर दिया जाय कि किसी भी दशा में ३ प्रतिशत से ज्यादा खर्च रेलवे एडमिनिस्ट्रेशन नहीं काटेगा । बाकी ९७ प्रति शत जो बचेगा वह स्थानीय संस्थाओं को दे दिया जायेगा ।

मैं ने एक और संशोधन देने की सूचना दी थी कि जो फ्री पास होल्डर्स हैं उनको इस कर से मुक्त कर दिया जाय । क्योंकि हम लोगों—संसद्-सदस्यों—पर उनका यह अनुग्रह है कि हमे फ्री पास मिला हुआ है, सारे भारतवर्ष मे जाने के लिये । अगर हमें टैक्स देना पड़े तो जरा असंगत मालूम होता है । लेकिन मुझे प्रसन्नता है कि हमारे मंत्री महोदय ने अपने संशोधन नं० १२ में सूचना दे दी है कि फ्री पास होल्डर्स इस टैक्स से मुक्त कर दिये जायेंगे । मैं अपनी ओर से और अन्य सदस्यों की ओर से मंत्री महोदय को धन्यवाद देता हूं कि उन्होंने स्वयं इसको स्वीकार कर लिया ।

इन शब्दों के साथ मैं इस बिल का समर्थन करता हूं ।

Shri Raghubir Sahai (Etah Distt.—North-East *cum* Budaun Distt.—East): Mr. Speaker, I thought this was an entirely non-controversial Bill and nobody in this House would oppose its provisions on principle. But as my hon. friend Shri Bhakt Darshan said, we were surprised when we found that an hon. Member from Calcutta opposed it on principle. He quoted some remarks from the report of the Taxation Enquiry Commission. For his benefit, I would invite his attention to Volume III, page 407 of the report wherein it has been stated: "that primarily this tax is raised for the benefit of municipalities, which have to provide amenities to the pilgrims who visit the place. So, it is not the railways who are anxious to impose

those taxes, but it is the municipalities who primarily make a move for the imposition of these taxes.

From the memorandum that has been supplied to us by the Railway Ministry, we find on page 2 that in West Bengal, in Howrah, Ballygunge, Kali Ghat etc., they are levying such taxes primarily for the Calcutta Improvement Trust. If my hon. friend is so anxious to oppose it on principle, I think he should persuade the Calcutta Improvement Trust to write to the Railway Ministry that this tax should be eliminated. Rs. 7,18,000 are being collected by means of these taxes for the benefit of Calcutta Improvement Trust.

Shri M. K. Moitra: On a point of explanation. The hon. Member has misunderstood the point. I simply raised the question whether the common man has got the capacity to pay more tax. This point has been referred to in the Railway Ministry's note also, because it says that whenever there is any proposal to impose terminal taxes, it means that the capacity of the common man to pay taxes has increased. That is what I referred to. Now also I support the feeling that the common man's capacity to pay more taxes has been exhausted.

Shri Raghubir Sahai: It is the municipalities who primarily make a move to impose these taxes.

Coming to the next point, I am of opinion that these pilgrim and terminal taxes are not new taxes. We are used to those taxes. As has been pointed out, these taxes are being raised for the benefit of these places where so many pilgrims go. Everybody knows that India is a country of religious-minded people and lakhs of people are in the habit of visiting sacred places, temples, Ganges Ghats just to have a dip in it. No propaganda can prevent then from visiting those places. In my own view, the Railway administration also is put to a lot of strain by transporting the additional number of passengers to these places. In most of these cases, the Railway administration makes elaborate and satisfactory arrangements. Sometimes, I am of opinion that they over-do the propaganda and advertisements and invite more pilgrims than the actual capacity of those places which they visit. For instance, in the case of the last Kumbh Mela, there was so much of propaganda on the part of the Railways that a very large number of people flocked to Allahabad with the result that there was a gruesome tragedy of 500 people being killed in a stampede.

Shri Alagesan: I think this charge should not be laid at the door of the Railways.

An Hon. Member: That is not the direct result of propaganda.

Shri Raghubir Sahai: I feel that that amount of care is not taken by the Railway administration in respect of the pilgirms that visit minor places of pilgrimage. There are so many places by the side of the Ganges: in U.P. for instance, Raj Ghat, Gurmukteswar, Kachla and Soron. In those places enough care is not taken by the Railway administration to carry the passengers to those places conveniently. Only normal trains run and no additional arrangement is made. From memorandum that has been supplied, I find that there is one place called Soron on the North Eastern Railway where this tax has been charged. It has been rightly done; it should be charged. Those persons who visit these places should pay and they should not make any complaint. Mostly people from Rajasthan visit Soron, a place so near my constituency of Budaun. There is Kachla on the banks of the Ganges on the other side. We find on the Poornamasi and Amavasya days and during the lunar and solar eclipse, there is a huge rush of people to these places. Normally we find that no special arrangement is made by the Railways for carrying these passengers. By raising these taxes is not the income of the Railways increased? It is. Therefore, it is obligatory on the

[Shri Raghubir Sahai]

part of the Railways to make additional arrangements for the transport of these people. Either special trains may be run to these places or additional coaches may be put on to the usual trains. What happens is, the ordinary passengers are put to a lot of trouble. Irrespective of the fact whether these pilgrims hold III class or II class tickets or tickets of any class, they rush into every compartment and ordinary long distance passengers are put to a lot of unnecessary trouble. These pilgrims sometimes go to the roof of the coaches. They travel on foot boards. All these things should be taken care of by the Railway administration. They should not feel satisfied by raising this terminal tax or pilgrim tax harmless as it is and useful as it is going to be. They have got an additional responsibility to discharge themselves. I hope that this question will also be borne in mind.

It is very good of the Deputy Minister to have brought forward an amendment that free pass holders will be exempted from this tax. In addition to that, I would submit that children above the age of 3 and below 12, should be charged half the rate so far as this pilgrim tax is concerned. With these remarks, I support this Bill.

श्रीमती शिवराजवती नेहरू (जिला लखनऊ-मध्य) : अध्यक्ष महोदय, मैं इस बिल को उचित समझती हूं और समझती हूं कि यह बिल रेलवे की आमदनी बढ़ाने में सहायक होगा । आज हमें जो काफी रुपया पैसा मेलों का प्रबन्ध आदि करने में खर्च करना पड़ता है, उस को ठीक ठाक करने में भी हमें काफी मदद मिलेगी । इस वास्ते इस बिल की बड़ी आवश्यकता थी ।

मैं समझती हूं कि जो टैक्स लगाया जा रहा है वह जनता को खलेगा नहीं क्योंकि हमारे देश की जनता जब कभी मेलों इत्यादि पर जाती है तो वह वहां पर एंजाय करने के लिये जाती है और ऐसे मौकों पर इस बात की परवाह नहीं करती कि कितना खर्च हो जाता है । अगर अब उसको यह कहा जायेगा कि थोड़ा सा पैसा बतौर टैक्स के दे दो, तो यह उसको बुरा नहीं लगेगा ।

दो तीन बातें इस बिल के अन्दर ऐसी हैं जिनके बारे में मैं अपने विचार प्रकट करना चाहती हूं । इसमें यह कहा गया है कि जो लोग दूर से आयेंगे उनके ऊपर तो टैक्स ज्यादा लगेगा और जो लोग नजदीक से आयेंगे उन पर कम लगेगा । में समझतो हूं की जो लोग दूर से आते हैं उनको एक तो किराया ज्यादा देना पड़ेगा और दूसरे टैक्स भो ज्यादा देना पड़ेगा और जो नजदीक से आयेंगे उनको टिकिट पर भी कम पैसे देने पड़ेंगे और टैक्स भी कम देना पड़ेगा । ऐसी हालत में यह जो बात हैं यह मेरी समझ में नहीं आती है । जो नजदीक से आते हैं उनको टैक्स कम क्यों देना पड़े और जो दूर से आते है उन पर ज्यादा टैक्स क्यों लगाया जाये।

दूसरी बात जो में कहना चाहतो हूं वह यह है कि जो टैक्स हुआ करता है वह एक आदमी से एक ही बार लिया जाता है । लेकिन इस बिल में यह लिखा हुआ है कि जब यात्री आयेंगे तब भी उन से टैक्स लिया जायेगा और जब वे ऐसे नोटिफाइड एरियाज (अधिसूचित क्षेत्रों) से जायेंगे तब भी टैक्स लिया जायेगा इस तरह से यह दोहरा टैक्स क्यों लगाया जा रहा है, यह मेरी समझ में नहीं आया । मैं चाहती हूं कि आप एक ही समय टैक्स लें, या आते समय लें और या जाते समय लें ।

तीसरी बात मैं यह कहना चाहती हूं कि ४० मील के फासले से अगर मनुष्य आये या यात्री आये तो उससे कम टैक्स न लिया जाये । इस टैक्स का मकसद तो यह है कि सरकार की सहायता की जाये । तो जो लोग मेला देखने आते हैं और वहां आकर तरह तरह की चीजें खरीदते हैं, दान पुण्य करते

और दूसरे कई तरह से रुपया खर्च करते हैं, वे खुशी खुशी थोड़ा सा टैक्स भी दे देंगे और उनको यह चीज खलेगी भी नहीं । यह ऐसी चीज है कि आदमी समझेगा कि जहां हम ने और दस चीजों पर पैसा खर्च किया वहां हमने थोड़ा सा टैक्स भी अदा कर दिया । मैं चाहती हूं कि चाहे कोई ४० मील की दूरी से आये, चाहे उससे ज्यादा की दूरी से, सब से एक सा लेना चाहिये क्योंकि सब यात्री हैं । यह कहना कि जो फ्री पास होल्डर हैं जैसे एम० पी० हैं उनको इस टैक्स की अदायगी से माफी दे देनी चाहिये मैं समझती हूं हमारी शान के खिलाफ है । हमको जिन्हें कोई किराया नहीं देना पड़ता उस आठ आने टैक्स से जो हमें देना चाहिये, माफी दे दी जाती है तो मैं तो इसे शान के बड़ा खिलाफ समझती हूं । जिस तरह से आम जनता को सरकार की मदद करने के लिये कहा जाता है उस तरह से हमारा भी यह फर्ज हो जाता है कि हम भी सरकार की मदद करें । अगर ऐसा नहीं होता है तब वही बात होगी कि जैसा ईसामसीह ने बाइबिल में लिखा था :

'Those who have must be given more; those who have not, what little they have must be taken away from them.

मैं समझती हूं कि सब से यह टैक्स लिया जाना चाहिये ।

यह बात अवश्य है कि सरकार को मेलों में बहुत अच्छा प्रबन्ध करना चाहिये ।

मेलों में आम तौर पर बड़ा रश (भीड़-भाड़) होता है और गाड़ियां काफी नहीं होती हैं । उसका नतीजा यह होता है कि डिब्बों में एक के ऊपर एक आदमी चढ़े होते हैं और डिब्बे बुरी तरह से भर जाते हैं । जब मैं इलाहाबाद कुम्भ के मेले पर गई, तो मुझे इस बात का अनुभव हुआ था । उस वक्त मैं ने देखा कि लोगों को सांस लेने की भी गुंजाइश नहीं होती है । इतने लोग डिब्बों में भर जाते हैं । इसके बावजूद बाहर खड़े हुये लोग दरवाजा पीटते जाते हैं कि दरवाजा खोलो, क्या हमने टिकट नहीं लिया है, तुम लोग मजे से बैठे हो हमको भी अन्दर आने दो । जो कुछ वे कहते हैं, वह ठीक होता है और सच होता है । मगर अन्दर बैठे हुये लोग भी एक तरह से मजबूर होते हैं । वे दरवाजा खोलें तो कैसे खोलें । डिब्बे के अन्दर तो तिल रखने की जगह भी नहीं होती है । कोई अपने बक्स पर चढ़ा होता है और कोई अपने विस्तर पर बैठा होता है । बहुतों को तो सारा सफर खड़ा ही रहना पड़ता है । इस हालत के विषय में ही एक कवि ने कहा है :—

"खड़े हैं खिड़कियों पर और कुछ बैठे हैं कंधों पर,
यह वक्ते-आजमाइश है खुदा के नेक बन्दों पर ।"

13 hrs.

यह हकीकत है कि जो लोग मेलों को जाने के लिये यात्रा करते हैं, उन खुदा के नेक बन्दों के लिये सफर वाकई वक्ते आजमाइस होता है ।

आखिर में मैं रेलवे विभाग के मंत्री जी से प्रार्थना करना चाहती हूं कि उनको लोगों की इन तकलीफों का ख्याल करना चाहिये । वह यात्रियों से टैक्स अवश्य लें और मुझे आशा है कि यात्री भी यह टैक्स बड़ी खुशी से देंगे, लेकिन इसके साथ ही साथ यह भी जरूरी है कि उन की सुविधाओं का प्रबन्ध किया जाय और उनको—और खास कर थर्ड क्लास पैसेंजर्स को—कुछ थोड़ा सा रिलीफ और आराम देना चाहिये और ज्यादा गाड़ियों की व्यवस्था करनी चाहिये ।

इन चन्द शब्दों के साथ मैं इस बिल को बिल्कुल उचित समझती हूं ।

Pandit Thakur Das Bhargava *rose*—

Mr. Speaker: The train is lengthening? It started with only one or two Members.

Shri Raghavachari: Passengers gather.

पंडित ठाकुर दास भार्गव (गुड़गांव): स्पीकर साहब, इस बिल को देख कर पता चलता है कि दर-अस्ल इस बिल में रेलवे का काम प्रो वोनो पब्लिको लोक सेवा है। रेलवे अपने वास्ते टैक्स नहीं ले रही है। यह टैक्स जो वसूल किया जायेगा, वह म्यूनिसिपल कमेटीज़ (नगरपालिकाओं) या लोकल बाडीज़ (स्थानीय निकायों) को जायगा।

Shri Alagesan: I understand Hindi a little, but if the hon. Member can speak in English I can understand him fully—if he so pleases.

Pandit Thakur Das Bhargava: Sir, I was submitting that this Bill is not, in effect, a railway Bill in the sense that the Railways do not stand to gain by this Bill. So far as the Railways are concerned this is a *pro-bono publico* act, and I think the Railways have done well in bringing forward this Bill so as to stabilise the law on the point and at the same time to let the people know how far they are prepared to go to help the municipalities to do their work.

At the same time it has got another aspect. Pilgrimage so far as our country is concerned is an institution in itself. Our forefathers in their wisdom assigned four *dhams;* one in the north Badrinath; the other in the South Rameswaram; the third in the West Dwaraka and the fourth in the East puri. These *dhams* were chosen by our ancestors so that all parts of the country may have pilgrim centres and at the same time the people may become acquainted with the geography of the country, and also come into contact with the people of those parts. So, pilgrimage is one of the very great institutions; in present day times it may not be considered so necssary, but in olden days it was most necessary.

The Railways and the Government, I know are very anxious to encourage, if not pilgrimage, at least familiarity of the Southern people with the Northern areas, and so far as the people of the North are concerned, they want they should go South so as to get acquainted with the Southern part of our country. Now I find that thousands of people go to foreign countries and a very large sum of money is spent on their tours. This is very good. I want my countrymen to go out and know how people in other parts of the world are living and when they come back they will give India the benefits of the experience of their tours there.

But at the same time I am anxious that the Government and the Railways should encourage tours within the country and like Russia and some other countries subsidise travel so far as the nationals of this country are concerned. But here in this Bill I find that instead of subsidising or helping people, they want to tax people. I have no quarrel with the Railways. They are not in fact taxing; these taxes are being collected on behalf of the municipalities. We have to remember that these melas or pilgrimages though they are in the interest of the country, mean great expenditure so far as provision of amenities and conveniences for the passengers is concerned. It is but meet that on such occasions the municipalities and the Railways should be compensated to a certain extent for the expenses they incur for making arrangements for the melas.

I find from the note which has been circulated by the hon. Minister for our information that 2·7 per cent. is the cost of collection and it is suggested that Railways should get 3 per cent. of the collection. To my mind, this is not the right way of looking at things. I do not grudge the payment of this 3 per cent. to the Railways. I am, however, anxious that this question should be viewed from one angle and one angle only, that is, the convenience of those who travel.

One point I cannot fail to note in this Bill. Even those who do not go to melas who are not out on pilgrimages will be taxed. In whose interest, and why should they be taxed? They are interested in melas; they do not go out for pilgrimages. There can be no means by which you can say whether a particular passenger is a pilgrim or not. I would never agree to taxing persons who are not interested in melas. But I do not find any way by which you can find out whether a particular person is a *melavala* or is not a *melavala*. "Mela" is defined in this Bill as "a public gathering on the occasion of any religious festival", so that only those persons who are religious minded should be taxed; the other should not be taxed. But I do not see how we can differentiate; therefore, we have to put up with this.

As I was submitting the whole question should be looked at from only one angle. The Railways, the municipalities the entire Government should see that the people from whom these taxes are realised are afforded some convenience. I have very often seen railway wagons stuffed with people going to the melas. The problem of overcrowding is not so much severe now as it was before. I admit there has been some improvement, but Government should provide adequate number of bogies for the convenience of passengers. I do not even mind the taxes being increased, but I am very anxious to see that people proceeding to these pilgrimages should be provided with adequate facilities. As far as the Railways are concerned, I would rather like that the share of the Railways is increased, because they are to run extra trains. Instead of the present 3 per cent. they may be earmarked 5 per cent., but they should at the same time see that they provide more convenience for the passengers. Apart from that so far as the municipalities are concerned, I do not know whether what they realise is spent on providing amenities for the passengers, or they make a profit out of it. If that is so, I am anxious that the ordinary expenses of municipalities should not be charged upon these revenues. These revenues have been realised by the railways. We should insist that the municipalities should spend only for the purposes of the pilgrims, for providing them with amenities in these melas. I do not know how this can be secured.

In the information given by the hon. Deputy Minister, he says that they have got nothing to do with the future disposal of this amount. So far as the railways are concerned, they are quite right, but at the same time I want Government to see that no more taxes are taken from the pilgrims than is absolutely necessary or is required for providing amenities to them. If the ordinary expenses of the municipality are met by this way, it will not be honest to do so. Even if the Railway Ministry cannot ensure this, Government should see that only so much is recovered as is necessary.

Like the Member who preceded me, I do not understand the principle behind two or three clauses in the Bill. For instance, I fail to realise the difference between a pilgrim who comes from 150 miles and one who comes from 30 miles. He comes for a religious festival and he ought to pay as much as any other who comes from a shorter or longer distance. If anything, I would rather like that persons who come from a longer distance should be entitled to be treated more leniently than the one who comes from a shorter distance. There is absolutely no reason why we should discriminate between those who come from longer and shorter distances. To my mind, this is not a right way of thinking. Supposing you charge Rs. 1-8-0 for a person who comes from Calcutta to Hardwar, where is the justification for not charging the same amount from a person coming from Banaras or Sahranpur. I think this principle is not correct that distance should be regarded as the determining factor for fixing higher or lower charges.

In the note we find that previously the rule was that ordinarily passengers

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coming from within 30 miles were not charged this tax, others were charged. This concession has now been extended up to 40 miles. I fail to see why even passengers who come from a distance of 30 miles should not be charged the same amount as those who come from longer distances. I can understand if with a view to discourage the use of railways these persons from nearabout places are charged this tax, but I do not think even this is likely to happen in case of persons coming from 30 or 40 miles. If they come from within ten miles, then they may not use the railway if you charge so much, but there is no difference between persons coming from 40 and 100 miles. So far as this provision is concerned, I would like that this may not be accepted as the right policy. Similarly, in regard to distance of 40 miles in my humble opinion is too much. It may be reduced to such a figure that the charging of this amount does not discourage railway traffic. Apart from that I do not see why this rate should be observed.

In clause 8 it is said that if any terminal tax under this Act is charged, then no other terminal tax will be charged. So far as the railways are concerned, they have enacted this rule, but so far as Government is concerned, there is no difference between a railway passenger and a non-railway passenger, as long as he is a passenger. What happens if you go to Hardwar? First of all, the railway charges terminal tax. Then if you proceed to Rishikesh by car which is also connected by railway, you have to pay another tax which is charged from passengers who use motors and those who are pedestrians. In the same way, when you go to Hardwar, you are charged by the municipal committee there car tax or passenger-tax from users of land routes. For those passengers who use taxis and cars, there are other taxes to be paid. My submission is that the principle of clause 8 is quite clear that only one tax will be charged. You may charge anything, but then further ground taxation, railway taxation and ferry taxation should not be there. The Government is one, the passengers are the same. Why charge three or four taxes, why put them to trouble?

So far as incidence is concerned, I have only to submit one word. In regard to these big melas eight annas per third class passenger may be regarded as rather excessive. I think the charge should be reduced to four annas, in view of the fact that the Government themselves are anxious to encourage this kind of travel. If they want to discourage religious festivals, I can understand it and let them charge more, but that is not so. Therefore, there is no reason why every third class passenger, irrespective of the money he can afford to spend, should be charged eight annas. The maximum charge should be four annas, or you may charge progressively four annas, eight annas and twelve annas, but not eight annas, one rupee and Re. 1-8-0. I should think that this rate of four annas is quite sufficient for the purpose of the municipalities etc., who should not be allowed to make profit out of this. If they want to charge, the general revenues are there, let them come forward in a straight way. Let them not come in an indirect way and charge people for their ordinary expenses.

Subject to these remarks, I think this is a Bill which should command the support of everybody.

Shri Barman (North Bengal—Reserved—Sch. Castes): I shall be very brief and support one point which has been made by the previous speaker.

I am quite in agreement with the provisions of the Bill that some kind of tax should be levied on passengers who congregate at a certain place so that the municipality or other body in charge of making arrangements to receive those pilgrims may have the necessary finance to make the necessary arrangement. This is only to remove the disadvantage of passing ordinances from time to time. The pilgrims have been paying these taxes since 1937, not because of this legislation. They have no objection and there is no reasonable ground for making any objection to such a tax.

We know that formerly when there were big fairs sanitary arrangements were practically nil, and due to all kinds of diseases and other disadvantages, many people used to die. It is in order to help the local organisers to make sanitary and other arrangements that this tax is levied and paid to them. So, in principle no one can be opposed to the levy of this tax.

One point has been raised that the common man should not be taxed. Certainly that is a very sound principle, but if the common man be exonerated from this tax, I do not know how the railway or any other body can levy any tax on the uncommon man. So, that proposition should go entirely. But, when it is necessary to finance the body making that arrangement, we have to levy a tax from the common man also. After all, when a common man comes for a distance, he incurs many other expenses. As the Bill goes, a man who comes from a distance of less than 40 miles is not taxed. He pays a large amount for his train fare as well as other incidental charges. Therefore, it is not arguable at all that the common man should be exempted.

I agree with Pandit Thakur Das Bhargava on one point and that is this. After all, the expenses of the arrangements that are made for all the pilgrims congregating at a certain place should necessarily be borne by all the pilgrims whether they come from a distance of 100 miles or 200 miles or 500 miles or less. Rather, those who come from a greater distance have to incur more expenses than those who come from nearer distances. It seems to me quite unsupportable that when a passenger travels from a greater distance he should be taxed more. He has already been taxed by the railway by having to pay more by railway fare than the pilgrim who comes from a nearer distance. He has to incur other incidental expenses also because of the longer journey. In addition to that, why should that man be made to pay more than a pilgrim who comes from a nearer distance in order to defray the expenses which are common for both? I think that the tax incidence should be altered according the necessity and exigency of the requirements of the municipality or other body that will make the arrangements. But, there should be uniform rates of tax on all who will congregate there on that occasion. I do not know what is the reason that the Railway Ministry has in mind in charging more from a passenger who comes from a longer distance.

Shri Alagesan: Sir, I am grateful to this House for this very full discussion on this measure. When this was taken up on the previous day, some hon. Members of this House wanted to be supplied with information regarding this subject. They wanted to know the manner of collection of this tax, the amounts collected, the cost of collection, how it is spent and so on. As per the wishes expressed on the floor of this House and as per the directions of the hon. Chairman who presided over the House on that occasion, a full memorandum has been circulated to all hon. Members. And, I find from the course of the discussion here, that the information that has been given to them has been very useful. Perhaps, in the absence of this information, the debate on this Bill would not have been as full as it was today. So, I am glad I was able to get this opportunity of supplying more information on this Bill which resulted in a fuller debate.

I should thank my hon. friends Pandit Thakur Das Bhargava and Shri Raghubir Sahai for having put this

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Bill in its proper perspective. Many hon. Members were proceeding on the basis that this was a taxation measure by the Railway Ministry. In fact, as was clearly explained by those two hon. friends, this is a measure which we undertook to pilot through this House and put on the statute book on behalf of the State Governments and the various local bodies concerned. We are acquainted with the sizes of the congregations that assemble at pilgrim centres on various occasions. When such large numbers of people assemble, naturally, all sorts of arrangements have to be made for the convenience of the pilgrims. It becomes a great strain on the slender resources of the various municipalities concerned to meet the expenses in providing the various amenities and conveniences to this large influx of pilgrims. It was in realisation of this fact that this tax was being collected in the past. Experience showed that the ceilings originally contemplated could not be sufficient for the purpose and so demands were made by the State Governments concerned that the ceilings should be raised in order to meet the liabilities that fall to their share.

On previous occasions, we had to promulgate Ordinances and also enact measures through this House to provide for such increases. It is to obviate those things that this measure has been brought before this House.

From the memorandum itself hon. Members would have found from how many places, where this tax is not at present levied, requests have come for the imposition of this tax because the municipalities concerned are finding it too difficult to manage within their resources. Purely, with a view to help the municipalities this measure has been brought before the House. The Railway Ministry is not very pleased to bring forward this measure because it introduces a distinction between those who travel by rail and those who travel by road. I was expecting some hon. Member would touch upon that aspect. But, since no hon. Member has touched upon it, I should myself like to say a few words about it.

The Taxation Enquiry Commission which recommended the continuance of this tax have also said that in fairness to the Railways a parallel tax should be levied on those who travel by other means of transport, mostly by road so that the two kinds of passengers are brought on a level. Since this matter rests with the State Governments, the Railway Board proposes to address various State Governments after this measure is passed that they should think of imposing a parallel tax on passengers who come by road. That will remove the discrimination which may be said to exist at present. I think the State Governments will take necessary action in this matter.

श्री भक्त दर्शन : क्या मैं पूछ सकता हूं कि यह जो टर्मिनल टैक्स लगाने का प्रपोजल किया जा रहा है यह मोटर से जाने वाले यात्रियों पर लगेगा या और तरीके से भी जैसे बैलगाड़ियों से सफर करने वालों पर और पैदल चलने वालों पर भी लगेगा ?

Shri Alagesan: It is for the various State Governments to consider, whether it should be on all passengers. I know my hon. friend has especially Badrinath in mind; no car can go there at present. People have to walk....

Shri T. S. A. Chettiar (Tiruppur): In any case, it cannot be on passengers who are walking to that place.

Shri Alagesan: The question of imposing any tax on pilgrims who go to Badrinath will arise only when we are able to make a road to that place and people are enabled to reach that place by buses or cars.

The question of ceilings was raised by several hon. Members. They said that the ceilings are too high. Several hon. Members put forward this view.

I have only to submit—Shri Raghavachari has already made this point himself—that this is only the maximum, and the actual amount will be fixed in consultation with the State Governments concerned. The State Governments are expected to take into account the needs of the municipalities which have to make these arrangements, and it is to be hoped that they will not demand any higher ceiling than what is actually necessary. Pandit Thakurdasji was saying that this amount should not in any case be utilised by the municipalities for their ordinary work, that it should be utilised for the purpose intended, that is, on the pilgrims that go to that place. I have got some information that has been, I think, circulated in the memorandum. Still I think I can draw the attention of the House to this matter. At the time of the recent Kumbh Mela at Allahabad which took place there in 1954, the present ceilings were enforced. They said that this should be the minimum that should be levied on the passengers. The total amount collected under this head was Rs. 14·12 lakhs. They also had certain other amounts collected from other sources, but then the expenditure on that occasion—we have got this information from the U.P. Government—went up to Rs. 41 lakhs. There was a gap of about Rs. 16 lakhs which had to be perhaps made up by the State Government. The same is the case with regard to the Ardh Kumbh Mela at Hardwar this year. I went through the memorandum and found that the total amount realised at the time of the recent Mahamakham festival at Kumbakonam was only Rs. 18,000 and odd. But, for the number of pilgrims that assembled on that occasion in that small town, the cost of the arrangements should have been much more, many times more than what this amount represents. There need be no fear in the minds of hon. Members that the proceeds from this tax will be utilised by the municipalities for their ordinary work.

Mention was made that it is not enough that we hand over the collections to the State Government and the Local Bodies and we sit quite thereafter, but we should also scrutinise and should also be careful about the way in which these amounts are spent. It is but meet that Parliament is anxious that whatever tax amounts are realised by way of the measures that are passed by this House should be properly spent. But I should like to remind hon. Members that there are State Governments and that they have got their own audit and other checks and arrangements which should be sufficient for this purpose. The anxiety expressed by hon. Members may be communicated to the various State Governments so that if there had been any slackness in the past—it is purely a supposition—they can be more careful in this regard in the future.

As far as the ceilings are concerned, as I said, actual experience indicated that we should provide at least for the maximum at this level. Even when tax was collected at this maximum level on the two occasions, namely, the Kumbh Mela at Allahabad and the Ardh Kumbh Mela at Hardwar, the proceeds were not found to be sufficient for the purpose.

Shri Barman: They have got other incomes. They realise taxes from the shops and restaurants' permits.

Shri Alagesan: That is a point. In fact, I did mention that. I said that the terminal tax realised at the time of the Kumbh Mela was Rs. 14 lakhs and odd, and the amount realised from other sources was Rs. 4·71 lakhs, which together came to Rs. 18·83 lakhs, whereas the expenditure was Rs. 41 lakhs. Even taking into account other sources of income, it was found in actual practice to be insufficient. So it will be appreciated that it is not possible to have any reduction in these ceilings. Supposing we reduce these ceilings, what will happen is that the State Governments will come with the demand that the ceilings should be raised, and then

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an amendment to this Act will have to be undertaken and all the processes will have to be gone through. That will not be a wise thing to do. So I would request the House to keep the ceilings at the level proposed here.

A suggestion was made that there should be difference between air-conditioned and first class rates. Shri N. R. Muniswamy also made that demand though I find from his amendment that he has not made that distinction there. Evidently, he took the cue from Shri Reddi and found that that was the correct thing to do. I have no quarrel against that. I would like to assure hon. Members that even now this distinction can be introduced. It is only the ceiling for air-conditioned and first class that is fixed. We may fix different rates for the two—one may be a little higher and the other a little lower. So, that is already taken care of.

The question of free zones was raised.

Mr. Speaker: If they are put in the same category, there may be difficulty in interpretation and the rate also will have to be common.

Shri Alagesan: I am advised that it need not be.

In regard to the question of free zones, there were contradictory opinions advanced. Shri Raghavachari advanced the plea that since we have got the power to reduce the distance from 40 miles, it may be reduced to nullity and the free zones may really be taken away. Other hon. members said that there should be no free zone and all should pay this terminal tax. Shri Muniswamy said that since it is only a seasonal tax, there should be no objection to all the people paying it. In several cases it is not seasonal; it may be imposed throughout the year, for instance, in a place like Rameswaram, there is terminal tax levied throughout the year. There are demands made from various States that pilgrims come to some places almost throughout the year. Banaras, for instance, is a place where pilgrims go, not once or twice a year, but throughout the year. In such places it becomes a burden on people living nearby, who go to the place not for any religious purpose or for the purpose of pilgrimage but for their ordinary avocations and to transact ordinary business, to be made liable to pay this tax. It is in that view that this free zone has been fixed, and the figure of 30 miles has been raised to 40 miles, but when actually fixing the free zone, there will be a little margin for the State Governments and the Railway Ministry to adjust to suit the actual necessity. It has to be fixed with reference to the stations on various sides of the pilgrim centre and so the limit had been fixed at 40. I think there should be no quarrel about this number.

A suggestion was made that the long-distance passengers should not be asked to pay more than the short-distance passengers because the amenities are availed of equally by all whether coming from long distances or short distances. So, there should not be any variation. I do not have any strong grounds to refute that point; it looks very plausible. But, there is this argument that those who come from far off places may perhaps be persons who may be able to pay a little more and so it may not be a great hardship on them. Barring this, I have no other grounds justifying these variations.

It was urged that no collection charges should be deducted. Shri N. R. Muniswamy went to the extent of saying that this should be the contribution of the Central Government for this purpose. I should like to remind him that it is not as if the railways do not contribute or incur expenditure on such occasions. For instance, the expenditure of the railways at the time of the Kumbh Mela was more than Rs. 70 lakhs, if I remember right. I do not have the figures now with me to say whether we were able to recoup all that we spent on that occasion. But, in such cases we do not exactly go by the return that comes to us; we go by the yardstick that the railways have got a duty to perform towards these large numbers of people who congregate in those places and that they should not spare money or effort to provide the utmost convenience to these pilgrims. It is on this basis that arrangements are made. I have inspected several places and found that in all cases, the arrangements were always a little more than what the strict requirements were. That is to say, the Railways have been quite liberal in providing the amenities to the pilgrims. It is not as if we are not attending to this aspect. All conveniences are provided in addition to what the local bodies may provide and thus, extra expenditure is incurred.

The cost of collection is strictly worked out. Nobody need be under the impression that we will take more than what is actually incurred by us. I would draw attention to article 278(1) of the Constitution in this respect. I am just reading a part of that article:

> "....for the purposes of those provisions the net proceeds of any tax or duty, or any part of any tax or duty, in or attributable to any area shall be ascertained and certified by the Comptroller and Auditor-General of India, whose certificate shall be final."

Thus, this will be neither exactly three per cent. or one per cent. It may be one or two or three per cent. I do not think that it will exceed three per cent. in any case. So, we need not be anxious that the railways will take a little more than what it actually costs them.

Shri Ramachandra Reddi: What are the several items included in the cost of collection?

Shri Alagesan: It was also said that the railways did not appoint additional staff. It is done in the course of their functions and duties and so no extra cost is involved. I am told that it involves a lot of work in the accounts offices and the cost of collection etc. is strictly related to the actual additional work performed by the railways. Even otherwise, three or two per cent. is not a big slice from the collections.

Shri Ramachandra Reddi: I would ask for the items that come under the cost of collection.

Shri Alagesan: There is the extra work to be done. (*Laughter*). There is no use my hon. friend laughing.

Shri Ramachandra Reddi: The hon. Minister does not want to come to actual facts; he is trying to evade.

Shri Alagesan: Some additional work is undertaken by the railways on behalf of the local bodies. That is envisaged by the Constitution, which speaks of the net proceeds. The net proceeds are arrived at after deducting the cost of collection in every case. This was anticipated and provided for.

Mr. Speaker: The tickets are common; the issuing clerk is common. But the accounts branch will have to divide the fare from the tax.

Shri Alagesan: Yes, Sir. There was a reference to free pass holders and some amendments were also given that free pass holders should be exempt from payment of these taxes. It is not only the Members of Parliament that come under this category but there are railway servants who also travel on such passes. They were exempt under the previous Act and we are only continuing it. It is not a new provision. It so happens that the Members of Parliament are also included in this category. It is a small thing. It is not as if Members of Parliament—whose number is very limited—are often going to these places of pilgrimage. They have got

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other work to do. It was also suggested that a child below the age of 12 but above the age of 3 should be charged half the rate. That is taken care of under clause 5 of the Bill wherein the railways themselves can fix half the rates for a class of railway passengers.

Some amendments have been given. I have an amendment excluding the pass holders and troops. I have added 'troops travelling in reserved vehicles at vehicle rate'. I think I have answered all the points and I commend my motion.

Mr. Speaker: The question is:

> "That the Bill to provide for the levy of a terminal tax on passengers carried by railway from or to certain places of pilgrimage or where fairs, melas or exhibitions are held, be taken into consideration."

The motion was adopted.

Clauses 2 and 3

Mr. Speaker: There are no amendments to clauses 2 and 3.

The question is:

> "That clause 2 stand part of the Bill."

The motion was adopted.

Clause 2 was added to the Bill.

Clause 3 was added to the Bill.

Clause 4.— (*Terminal tax not to be levied within certain limits*)

श्री भक्त दर्शन : अध्यक्ष महोदय, मेरा संशोधन संख्या ७ है । मंत्री महोदय ने इस विषय में समझाने की कोशिश की है, लेकिन उन्होंने पूरी तरह से प्रकाश नहीं डाला है कि आखिर कौन से सर्कमस्टांसिज हैं—परिस्थितियां हैं—जिन में चालीस मील से कम यात्रा करने वाले व्यक्ति पर भी टर्मिनल टैक्स लगाया जायेगा । यहां पर क्यों न केवल चालीस मील ही रहने दिया जाये ?

Shri Alagesan: I thought I had explained it fully. If I omit the words that the hon. Member wants me to omit, then it has to be 40 miles in all cases. My submission to that was that it may not be necessary to exempt to that extent. The actual requirements of individual pilgrim centres may not demand that the free zone should be so large. It may be that people who go to that place of pilgrimage normally for other business may not be spread out to 40 miles. It may be that the place attracts people only from a distance of 20 miles all round. In that case the free zone will be fixed as 20 or 25 miles. To enable that and not to exempt a larger number of people than what would be strictly necessary, it is necessary to have these words as a safeguard. I hope my friend will not press his amendment.

श्री भक्त दर्शन : मैं अपना संशोधन मूव नहीं करना चाहता हूं ।

Mr. Speaker: Then I shall put clauses 4, 5 and 6 together.

The question is:

> "That clauses 4 to 6 stand part of the Bill."

The motion was adopted.

Clauses 4 to 6 were added to the Bill.

Clause 7.— (*Mode of recovery of tax.*)

Shri Ramachandra Reddi: Sir, I beg to move:

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after "such portion" *insert* "not exceeding one per cent."

The hon. Minister has not been convincing enough. He has not even given us an assurance that he will limit the collection charges to three per cent. He was not able to tell us what items are included in the collection charges and he simply took umbrage under the Auditor's calculations or the Accountant's calculations. I, therefore, press my amendment.

Shri Alagesan: I do not think I should say anything. I am only sorry that I could not convince the hon. Member. Actually the cost has been worked out in the past and it comes to 2·7 per cent. So it will be difficult for me to accept this amendment.

श्री भक्त दर्शन : मेरा संशोधन संख्या ८ है। उसमें मैं ने तीन परसेंट रखा है। श्री रामचन्द्र रेड्डी ने एक परसेंट रखा है जो मेमोरेंडम दिया गया है, उस में खुद रेलवे मंत्रालय ने स्वीकार किया है कि २·७ परसेंट तक खर्चा बैठता है। अत: तीन परसेंट से ज्यादा किसी हालत में नहीं होना चाहिये। आखिर इस संशोधन को स्वीकार करने में क्या कठिनाई है ?

Shri Alagesan: Sir, it will be strictly the actual cost of collection that is worked out by the Railways and accepted by the Comptroller and Auditor-General. It is only that which has to be charged; it will be neither more nor less. I can only assure the hon. Member that it is not likely to exceed three per cent., but I cannot bind my hands like that.

Mr. Speaker: The local government is there to take interest in the matter. If the cost exceeds the local government will take it up with the Central Government.

Shri Alagesan: It will not be done in a secret way; it will be certified by the Auditor-General.

Shri Ramachandra Reddi: The local government does not come into the picture at all.

Mr. Speaker: It is the local government that receives it. Municipalities and other bodies are within the jurisdiction of the local government. I believe the local government will have a say in the matter. It won't be handed over directly to the municipality except through the local government. The local government won't keep quiet. Now I shall put the amendment of Shri Ramachandra Reddi to the vote of the House.

The question is:

Page 3, line 7—

after "such portion" *insert* "not exceeding one per cent".

The motion was negatived.

Mr. Speaker: The question is:

"That clause 7 stand part of the Bill."

The motion was adopted.

Clause 7 was added to the Bill.

Clause 8 was added to the Bill.

Clause 9.— (*Exemptions*)

Amendment made: Page 3—

(i) line 18, *omit* "and";

(ii) line 19, *add* at the end:

"and troops travelling in reserved vehicles at vehicle rate; and"; and

(iii) *after* line 19, *add*:

"(d) free pass holders".

—[*Shri Alagesan*]

Mr. Speaker: What are the other amendments? If there are any amendments contrary to this they will be barred.

Shri Ramachandra Reddi: My amendment has been covered by this.

Shri N. R. Muniswamy: Sir, I beg to move:

Page 3—

after line 19, *add*:

"(d) card pass holders;

(e) holders of privilege ticket orders (P.T.O.);

(f) season ticket holders; and

(g) coupon ticket holders."

Mr. Speaker: Part (d) has already been covered. I will put rest of the amendment to the vote of the House.

The question is:

Page 3—

after line 19, *add:*

"(e) holders of privilege ticket orders (P.T.O.);

(f) season ticket holders; and

(g) coupon ticket holders."

The motion was negatived.

Mr. Speaker: I take it that other hon. Members are not moving their amendments. I will put the clause, as amended, to the vote of the House.

The question is:

"That clause 9, as amended, stand part of the Bill."

The motion was adopted.

Clause 9, as amended, was added to the Bill.

Mr. Speaker: Now we come to the Schedule. Does any hon. Member want to move his amendment?

Shri Ramachandra Reddi: In view of the assurance given by the hon. Minister, I am not moving my amendment.

Mr. Speaker: The question is:

"That the Schedule stand part of the Bill."

The motion was adopted.

The Schedule was added to the Bill.

Clause 1, the Enacting Formula and the Title were added to the Bill.

Shri Alagesan: Sir, I beg to move:

"That the Bill, as amended, be passed."

Mr. Speaker: The question is:

"That the Bill, as amended, be passed."

The motion was adopted.

STATES REORGANISATION (AMENDMENT) BILL

The Minister of Legal Affairs (Shri Pataskar): Sir, I beg to move:

"That the Bill to amend the States Reorganisation Act, 1956, be taken into consideration."

Sir, this is a very simple measure. It has been necessitated on account of a decision of the High Court of Madras challenging the validity of a certain provision in section 35 of the States Reorganisation Act.

Now, as you will find, Sir, clause 35 of the States Reorganisation Bill refers to the Constitution of the Madras Legislative Council and it runs as follows:

"(1) In the Legislative Council of Madras, as from the appointed day, there shall be 48 seats of which—

(a) the numbers to be filled by persons elected by the electorates referred to in sub-clauses (a), (b) and (c) of clause (3) of article 171 shall be 16, 4 and 4 respectively;

(b) the number to be filled by persons elected by the members of the Legislative Assembly in accordance with the provisions of sub-clause (d) of the said clause shall be 16; and

(c) the number to be filled by persons nominated by the Governor in accordance with the provisions of sub-clause (e) of that clause shall be 8."

That is how section 35 of the States Reorganisation Act proposes to reconstitute the Council of Madras.

Then, sub-section (2) of section 35 reads as follows:

> "As from the appointed day, the Delimitation of Council Constituencies (Madras) Order, 1951, shall have effect subject to the modifications directed by the Second Schedule,"

Of course, we are not much concerned with this part of the Act.

14 hrs.

Now, because the number of members of the Legislative Council of Madras was reduced, sub-section (3) of section 35 has to be amended to make the necessary adjustments. Sub-section (3) of section 35 reads as follows:

> "The two sitting members of the said Council representing the West Coast (Local Authorities) Constituency and such two of the six sitting members representing the Madras (Graduates) Constituency, and such two of the eighteen sitting members elected by the members of the Legislative Assembly, as the Chairman of the said Council shall by order specify shall, on the appointed day, cease to be members of the said Council".

In order to reduce the number of members of the Legislative Council of Madras and to bring the number down to that number which has been already provided under Section 35 (1), this provision was inserted.

Section 35 (1), as I have pointed out, refers to the members to be elected by persons referred to in sub-sections (a) to (c). We are here concerned with article 171 (3) (b) of the Constitution which runs as follows:

> "(b) as nearly as may be, one-twelfth shall be elected by electorates consisting of persons residing in the State who have been for at least three years graduates of any university in the territory of India or have been for at least three years in possession of qualifications prescribed by or under any law made by Parliament as equivalent to that of a graduate of any such university;"

So, there was the Madras (Graduates) Constituency which used to send six members of the former Madras Legislative Council. By the States Reorganisation Act, we reduced that number to four, as provided in section 35 (1) (a) of that Act. The number of six has been reduced to four, and therefore, in section 35 (3), we laid down that "such two of the six sitting members representing the Madras (Graduates) Constituency, and such two of the eighteen sitting members elected by the members of the Legislative Assembly, as the Chairman of the said Council shall by order specify shall," etc. So, power was given to the Chairman of the Council to decide as to who those two persons will be from the Madras (Graduates) Constituency who should retire so that the number may be brought down from six to four.

Now, there was a writ petition presented to the High Court of Madras by one Mr. John, challenging the validity of this provision on the ground that the Chairman of the Madras Legislative Council, who was given the power to decide which two members should retire, was himself a member of the Legislative Council elected from the Madras (Graduates) Constituency. On that ground he contended that this provision was inconsistent which the provisions contained in article 14 of the Constitution, and the Madras High Court, on the 5th November, 1956, upheld that contention raised by Mr. John and held that, to that extent, this provision was contrary to the provisions of the Constitution. Therefore, something has to be done in order that the Legislative Council of Madras is formed consistently with the provisions which are contained in section 35 of the States Reorganisation Act.

Therefore, it was proposed to amend the Act as provided in the Bill under discussion. There were two objections. One was that the man, who was to decide the case, was himself a person elected from the constituency

[Shri Pataskar]

concerned. The second was that it was left to the arbitrary decision of the Chairman of the Legislative Council, and that there was no indication to the contrary. We have, therefore, through this Bill, empowered the Governor of Madras to determine by drawing lots who are the two members that should be deemed to have gone out of the Legislative Council. That, in short, is the proposal which is contained in this Bill. Instead of leaving it to the decision of the individual, namely, the Chairman of the Council, we mentioned "by the Governor" since the Governor has nothing to do with the elective bodies. So. the question will now be decided by drawing lots, by the Governor of Madras. It is for this simple purpose that this Bill has been brought forward, namely, to bring down the number from six to four consistently with the maximum number of members for the Legislative Council of Madras which has been fixed at 48.

I hope that this simple measure, which has been necessitated by a decision of the High Court of Madras, will be accepted by the House. Unless this is done and the Madras Legislative Council is properly constituted, legislative work in that State may be held up. It is for this purpose that this short Bill has been brought forward. I hope it will be assented to without much objection.

Mr. Speaker: Motion moved:

> "That the Bill to amend the States Reorganisation Act, 1956, be taken into consideration".

Shri S. S. More (Sholapur): I want to take this opportunity of bringing to the notice of the House, if I can, the great injustice which has been done to many of the States particularly by the States Reorganisation Act.

Mr. Speaker: How is that relevant here?

Shri S. S. More: I will point out; I will straight way come to it. Now, take for instance, Madras. The total membership of the Legislative Council is 48, and the total number of members of the Legislative Assembly is 206. Now, under article 171 of the Constitution, as amended by the States Reorganisation Act, we have increased the percentage of seats which a Council can have in relation to the total membership of the Assmbly. It is now one-third instead of one-fourth. The article, as amended, says:

> "The total number of members in the Legislative Council of a State having such a Council shall not exceed one-third of the total number of members in the Legislative Assembly of that State".

Formerly, it was one-fourth. If the original formula prevailed, then, 25 per cent. of 206 would be the proportion of membership or the maximum membership of the Legislative Council. But now, with 206 as the total membership of the Assembly, and the formula having been increased from one-fourth to one-third, the maximum number of members which the Madras Legislative Council could have is 69.

My submission is that we must follow some definite principle regarding all States. I invoke article 14 of the Constitution which says that there should be equality between persons. Extending that principle and making it applicable to the States, I should say that there should be some uniform ratio or basis according to which the membership of the different Councils is to be regulated. By way of illustration, I might point out certain anomalies. I will not go into all the details.

Mr. Speaker: Are we not going into the general principle now? I thought this is only to avoid a particular inconvenience.

Shri S. S. More: My submission is that Government have brought in this Bill without any purpose. It was quite up to the Government to amend the schedule of the Representation of the People Act on a certain basis, because there is a schedule there which gives a certain number of seats to the different State Legislative Councils. They could have very well amended that particular schedule and said that Madras was entitled to have 69 as the maximum number of members for its Legislative Council. Why should we go to the extent of depriving two persons from their membership? That is my point.

With your permission, I want to point out that Madras is not the only sufferer.

Mr. Speaker: What is the good of referring to other States?

Shri S. S. More: With your indulgence, I want to point out that Government, by bringing a simple amending measure for the Representation of the People Act, could not only remove the head-ache of the Madras State but also of some other States. There have been complaints of a similar nature from the other States. Different persons belonging to different States have written to the Home Ministry and to the Law Ministry, or to the States Ministry as it was then, saying that according to article 171 of the Constitution, as amended, the number of members of the State Councils concerned should be increased in accordance with that proportion. I do not know what is coming in the way of the Government.

Mr. Speaker: So far as Madras is concerned, the hon. Member's suggestion may amount to this. Instead of reducing the number from six to four, the strength of the Council itself may be increased from 48 to 50. While the inconvenience arose of getting rid of two members, the court held that the authority to hold the ballot was given to one of those persons who was himself a member and therefore, it was irregular. The Bill seeks to validate it and vest the authority in the hands of the Governor. I can understand the hon. Member's suggestion that instead of going so far the original number may be restored. For that purpose, I can understand the modification of the People's Representation Act also by a suitable amendment. But, to go beyond that and bring in Bombay and other places, is beyond the scope of the Bill. For those places, an independent Bill has to be brought.

Shri S. S. More: I accept what you say and I do not wish to transgress the bounds you have set for me. But, regarding Madras, I can competently urge that instead of having 48 members—there is no sacrosanctity about that number—the Legislative Council of Madras can very well have 50 members. You can allow the two persons to remain there, without putting the Governor to the immediate job of drawing lots and deciding the fate of two persons. 69 is the maximum limit up to which Government can go; let them have 50, 54, 60 or even 69 members. What prevents them from going to that formula? When article 171 has been specifically amended, there must have been some purpose in the mind of the Government. I say that they must have visualised that after re-organisation so many difficulties would crop up and the numerical percentage would be disturbed to a very large extent. So, there should be some margin to serve as a sort of elbow-room. I say, take advantage of article 171. In the case of Madras as well as in the matter of other States, the names of which I will not mention in view of what you have said, you can change the formula and modify the Schedule. I believe it is Schedule VII of the Representation of the People Act and say that for the different States mentioned in the Schedule, the following shall be the numbers of members of the Legislative Councils. If that is done, it would

[Shri S. S. More]

be a more simple and human process than bringing down the guillotine on two sitting members, who have been elected on the assumption that they will run their term without any interruption. I may point out that bad blood is being created in certain States where the term of some unfortunate members has been reduced by two years. Some members have been lucky enough to have a windfall and their term has been increased by two years more. How far it is consistent with the provisions of the Constitution I leave to the legal experts to decide.

I think Government will be well advised if they act in a human manner. Instead of putting the number irrevocably at 48 and asking the Governor to use the knife for a particular purpose, they should increase the number at least to 50, so as to save the catastrophe overcoming these two unfortunate members.

Shri T. S. A. Chettiar (Tiruppur): The general question of increasing the membership of the Legislative Councils in the various States is certainly a matter which requires consideration and I hope Government will take steps to ascertain the wishes of the State Governments in this matter and do whatever is necessary. This Bill refers only to the Madras Legislative Council. As has been pointed out by Mr. Pataskar, there were six graduate representatives in the Madras Legislative Council and the number was reduced to four after re-organisation. In order to eliminate the two surplus members, we gave the power to the Chairman of the Council to determine who should be eliminated. But unfortunately, that Chairman happend to be a member elected by the University Graduates. The member, whose name was probably left out, filed a suit in the High Court saying that since Mr. Cherian, the Chairman of the Council, happened to be elected by the graduates, he should not be vested with that power. The High Court also upheld that view. This is the short story of this case.

Now, the Government say that instead of the Chairman of the Council, the Governor should draw the lots and decide the names of the persons to be eliminated. The point raised by Mr. More should certainly be considered. The amendment I have given notice of seeks to implement Mr. More's suggestion so far as the Madras Legislative Council is concerned. It seeks to increase the number of graduate representatives to six, the number which existed before re-organisation, so that the necessity of drawing lots may be obviated altogether. That is the short point before the House and I hope that this is not in conflict with either the Constitution or any other law. My amendment is in substitution of the amendment sought to be made by the Government. I will move it at the proper stage.

Shri N. R. Muniswamy (Wandiwash) I shall be very brief and I shall not go into the details about the contents of the judgment of the Madras High Court and so on. I am only concerned with the small amendment I have given notice of.

The State Legislature consists of the Governor and the two Houses. In States where there is only one House, the Legislature consists of the Governor and that House. My point is that since the Governor is one of the constituents of the legislature, he shall not be given this responsibility of drawing lots. So far as the Chairman is concerned, he happened to be one of the six sitting members of the Madras (Graduate) Constituency. There would have been no difficulty if the Chairman of the Council had drawn lots to eliminate the two members. Now that he has been given the arbitrary power of deciding the names of the two persons to be eliminated, being a human being, he will certainly eliminate his name and choose the names of two persons who are not very well disposed towards him. That is why Mr. John took up the matter to the High Court.

My point is this. After all, drawing lots is an executive job and anybody else can do it; why should the Governor be asked to do it? The Election Commissioner is an independent authority and he has nothing to do with any man coming to this House or that House. So, he can very well be authorised to draw the lots and exclude the names of those two persons. Any other person authorised by the Election Commissioner may also suit the purpose. By doing this, we can obviate the difficulty of asking the Governor to do this work. It is not dignified on the part of the Governor to draw lots. Therefore, I would commend the acceptance of my amendment by the House.

Shri Pataskar: As I explained at the beginning, this is a very simple Bill. The hon. Member, Shri S. S. More, referred to the question of amendment of article 171 of the Constitution and to the fact that it was desirable generally to increase the number of Members of the Councils. That is a larger issue which, I think, has been raised so far as I can see by some of the States. It is under consideration of the Government as to what we should do. Of course, every case will have to be examined on its own merits. When that larger question comes to be decided, the matter, I am sure, will come before this House and we will try to introduce as much uniformity as is humanly possible in this matter. The present Bill is of a different nature. If really there was no urgency about this matter, we would have waited till we decide the larger question. As I pointed out in the beginning, on account of a decision of the High Court, under the present provision in section 35 of the States Reorganisation Act, it has become impossible for the Legislative Council of Madras to function because that may be challenged. It is as a measure of urgent necessity that we have brought forward this Bill. I can assure hon. Members that whatever representations have been made by the other States, they will receive due consideration from the Government.

In the present matter, there are two other alternatives. One of them is suggested by Shri T. S. A. Chettiar. I think that would be considered when we come to the stage of considering amendments. As regards the suggestion made by the hon. Member Shri N. R. Muniswamy, I think there is nothing really wrong in authorising the Governor of a State to draw lots and decide the matter. After all, under the Constitution, the Governor is a person who has been appointed by the President, an independent person. He is not a Member of any legislative body. I do not think there is anything wrong or inappropriate in saying that such a matter should be decided by the Governor. However, this is a matter in which it is open to anyone to say that it should be A, B, C, D, E. Beyond that, I think the hon. Member need not stress that argument. We put in the Governor because we thought that after all, he was the best person so far as the State is concerned. I hope that the suggestions made by Shri T. S. A. Chettiar will be duly considered at the time when the amendment is moved. I will speak about it at that stage. In the mean time, I hope this motion will be accepted.

Shri Mohiuddin (Hyderabad City): A new Governor has been appointed in Madras and by the time, this Bill becomes an Act, perhaps he will take charge. If the newly appointed Governor is a Member of the graduates electoral constituency there may again be an objection.

Shri T. S. A. Chettiar: He is from Travancore-Cochin.

Shri Mohiuddin: He may be a member of the graduates.

An Hon. Member: May have been elected in Madras.

Shri Mohiuddin: A Member of the Council can also be the Governor of the same place or a Member of the Council in Travancore-Cochin may be a Governor.

Shri Pataskar: My short reply is this. Under article 158,

> "The Governor shall not be a member of either House of Parliament or of a House of the Legislature of any State......"

There is provision in the Constitution itself that he will cease to be a Member of any House anywhere in India.

Mr. Speaker: The question is:

> "That the Bill to amend the States Reorganisation Act, 1956, be taken into consideration."

The motion was adopted.

Clause 2.— (*Amendment of section* 35)

Shri T. S. A. Chettiar: My amendment consists of two parts. One is with reference to section 35 for raising the number to 50. In amendment (b) I say that the words and brackets "and such two of the six sitting members representing the Madras (Graduates) Constituency" shall be omitted. This is consequential. Once we raise the number from 4 to 6, there is no need to omit two people out of the six as has been directed in sub-clause (3) of section 35 of the Act. Therefore, I beg to move:

Page 1—

for clause 2, *substitute*:

'2. *Amendment of section* 35.—In section 35 of the States Reorganisation Act, 1956 (hereinafter referred to as the principal Act)—

(a) in sub-section (1)—

(i) for the figures "48" the figures "50" shall be substituted; and

(ii) in clause (a), for the figures "16, 4 and 4" the figures "16, 6 and 4" shall be substituted; and

(b) in sub-section (3), the words and brackets "and such two of the six sitting members representing the Madras (Graduates) Constituency" shall be omitted.'

Mr. Speaker: The hon. Member wants to restore the original number so far as the University in concerned.

Shri T. S. A. Chettiar: That is right.

Mr. Speaker: The reduction from six to four has brought the complication as to how to get rid of the two, whether the Chairman should draw the lots or the Governor. The hon. Member is suggesting an alternative remedy by retaining the two. The question of ballot will not arise. Shri N. R. Muniswamy's amendment goes out of order if this is accepted by the House.

Shri N. R. Muniswamy: He need not accept this amendment.

Mr. Speaker: It is for the House. Is the hon. Minister agreeable to this amendment?

Shri Pataskar: Yes, Sir. Because, though I would have preferred to have the Act amended in the form in which I had asked for it, in view of the fact, as I pointed out, that the question of number of members has been raised by the different States, I think it would avoid many complications if we can do it in this Bill by increasing the number from 48 to 50. The question of drawing of lots and who should do it will not be there. I will have no objection, subject to what you say.

Mr. Speaker: The question is:

Page 1—

for clause 2, *substitute*:

'2. *Amendment of section* 35.—In section 35 of the States Reorganisation Act, 1956 (hereinafter referred to as the principal Act)—

(a) in sub-section (1)—

(i) for the figure "48" the figure "50" shall be substituted; and

(ii) in clause (a), for the figures "16, 4 and 4" the figures "16, 6 and 4" shall be substituted; and

(b) in sub-section (3), the words and brackets "and such two of the six sitting members representing the Madras (Graduates) Constituency" shall be omitted.'

The motion was adopted.

Mr. Speaker: There is an amendment to the Second Schedule.

Shri T. S. A. Chettiar: I shall move that part also. I beg to move:

3. *Amendment to Second Schedule.*—In the Second Schedule to the principal Act, in clause (a), for the figure "4" the figure "6" shall be substituted.

This is merely consequential.

Mr. Speaker: The question is:

3. *Amendment to Second Schedule.*—In the Second Schedule to the principal Act, in clause (a), for the figure "4" the figure "6" shall be substituted.

The motion was adopted.

Mr. Speaker: I believe there will be some consequential amendments so far as the Peoples Representation Act is concerned.

Shri Pataskar: I have considered that matter. That can be done by the Adaptation provisions in the Act itself.

Mr. Speaker: Shri N. R. Muniswamy's amendment goes out of the order.

The question is:

"That clause 2, as amended, stand part of the Bill."

The motion was adopted.

Clause 2, as amended, was added to the Bill.

Clause 1, the Enacting Formula and the Title were added to the Bill.

Shri Pataskar: I beg to move:

"That the Bill, as amended, be passed."

Mr. Speaker: Motion moved:

"That the Bill, as amended, be passed."

Shri Mulchand Dube (Farrukhabad Distt.—North): I find from the Schedule that the percentage in all the States is not uniform. In view of the fact that the hon. Minister has accepted the amendment of Shri T. S. A. Chettiar, I think the percentage of the other States should be examined and suitable amendments made so that there may be uniformity in the percentage.

Shri Pataskar: I would only say that what I have already said has not been understood by the hon. Member. When the larger question comes up, the whole thing will be considered.

Shri K. K. Basu (Diamond Harbour): I have one question to ask. By this amendment, is the subdivision of the graduates number within limits? In the Act, the Graduates' number is fixed at a certain percentage. You raise from 4 to 6. But, there is also a further sub-division and there is a limit. I do not know whether the hon. Minister has considered that aspect also.

Shri Pataskar: Yes.

Shri K. K. Basu: Otherwise, there may be trouble later.

Shri Pataskar: The hon. Member was not probably attentive. I read out the sub-clause of article 171. I was careful to see that that number is not exceeded.

Mr. Speaker: One-twelfth is one-twelfth of fifty.

Shri Pataskar: Whatever it is, by raising it from four to six, we do not do anything which is in conflict with the provisions of the Constitution.

Mr. Speaker: Out of 50, one-twelfth is four. The article reads:

> "as nearly as may be, one-twelfth shall be elected by electorates consisting of persons residing in the State who have been for at least three years graduates of any university in the territory of India or have been for at least three years in possession of qualifications prescribed..."

Shri Pataskar: I will explain it. In article 171 itself there is clause(2):

> "Until Parliament by law otherwise provides, the composition of the Legislative Council of a State shall be as provided in clause (3)."

That was the arrangement prescribed in the Constitution until it was decided by Parliament, and now Parliament is going to decide what the constitution of the Legislative Council of Madras will be. When the article was enacted they referred to the existing Council, and there was a provision that until Parliament by law otherwise provides the composition will be as provided under clause (3).

Mr. Speaker: Therefore, now Parliament is making this law.

Shri K. K. Basu: What I am worried about is that we should frame the law with full clarity and there should be no judicial decision knocking off what we have done.

Mr. Speaker: So far as this matter is concerned, in some portions of the Constitution, for example in article 4, it has been provided that notwithstanding the fact that an amendment may affect the Constitution, it shall not be considered to be an amendment of the Constitution for the purposes of article 368. Changing the number of Members of the Legislative Assembly shall not be deemed to be an amendment of the Constitution. Therefore, in the States Reorganisation Act the schedule was added to the Act instead of amending the Constitution so far as the Schedules are concerned. Similar provision is made in article 171. In the absence of clause (2) of this article, any change in the proportion as set out in clause (3) will have to be made only by amending the Constitution. To avoid that, clause (2) has been inserted there under which Parliament can alter the relative proportions. It is open to this House to say instead of four, we shall have six notwithstanding the fact that it militates against sub-clause (b) of clause (3) of article 171. It is quite in order.

The question is:

> "That the Bill, as amended, be passed".

The motion was adopted.

STATE BANK OF HYDERABAD BILL

The Minister of Revenue and Defence Expenditure (Shri A. C. Guha): I beg to move:*

> "That the Bill to transfer the share capital of the Hyderabad State Bank to the Reserve Bank of India and to provide for its proper management and other matters connected therewith or incidental thereto be taken into consideration."

This Bill was introduced in this House on the 28th August during the last session, but in spite of our best endeavour, we could not find time to get the Bill passed by Parliament.

[MR. DEPUTY-SPEAKER *in the Chair*]

14.34 hrs.

In the meantime, States' reorganisation was going to take place which in effect would split up the State of Hyderabad into three different States. So, there would not be any single authority to look after this Hyderabad State Bank and none also to ensure the continuance of its functions and duties without dislocation and with proper safeguards for the banking and treasury functions which the Bank had been performing as agents of the Reserve Bank of India in Hyderabad State. The State Bank of Hyderabad Ordinance 1956 was therefore promulgated to take care of this situation. Otherwise, there would have been a sort of vacuum as regards the authority to manage the Bank.

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*Moved with the recommendation of the President.

The Ordinance was issued on 26th September, 1956 with a few variations from the Bill as presented to Parliament. The Bank has thus already started functioning as a wholly nationalised concern. The compelling necessity for immediate legislation by Ordinance has been explained in a statement already placed on the Table of this House. It is now for the House to consider the Bill and to pass it with a few amendments consequential to the promulgation of the Ordinance.

I shall now mention a few facts about the Hyderabad State Bank. It was established in 1942 under the Hyderabad State Bank Act (No. XIX of 1350 Fasli). Prior to the financial integration of the Hyderabad State with the Centre, the Bank served more or less as the Central Bank for the former Hyderabad State. By an agreement entered into by the Bank with the State Government, it performed the Government banking and treasury work, managed the public debt, issued new loans and administered the Osmania Sicca paper currency. The Bank had a paid-up capital of Rs. 75 lakhs expressed in Osmania Sicca rupees, divided into 75,000 shares of O.S. Rs. 100 each fully paid. The equivalent of the total share capital in Indian currency is Rs. 64·29 lakhs. Fifty-one per cent of the share capital was held up by the Government of Hyderabad and the rest by the private shareholders. The Bank had ten directors including the President and the Managing Director. Among them, the Hyderabad Government had powers to nominate the President, the Managing Director and three others. Three directors were elected by the shareholders, and two co-opted by the rest of the directors. The Government of Hyderabad enjoyed various other powers also in regard to the management of the Bank.

In April, 1953, the Government of Hyderabad appointed the Reserve Bank as their sole bankers. A separate tripartite agreement between the Reserve Bank, the Hyderabad State Bank and the Hyderabad Government was also entered into at the same time, according to which the Hyderabad State Bank was appointed as the sole agent of the Reserve Bank in Hyderabad territory and accepted a scheme of control by the Reserve Bank. Copies of these agreements have been placed in the library for reference if required by hon. Members. The Government of Hyderabad also agreed to nominate two officials representing the Central Government and the Reserve Bank respectively as directors on the Board of the Hyderabad State Bank against the quota of three directors which the State Government was entitled to appoint. The Hyderabad State Bank has, under this scheme, been managing, on behalf of the Reserve Bank, the treaury business of the State Government at 33 centres and has been in charge of the currency chests and small coin depots at 25 of its branches. The provisions of the Banking Companies Act, 1949, were not technically applicable to this Bank, but under the tripartite agreement, as I have stated before, the Hyderabad State Bank voluntarily accepted certain control from the Reserve Bank. In this way, the Hyderabad State Bank was following the provisions of the Banking Companies Act, 1949 as if it was registered under the Indian Companies Act of 1913.

The Hyderabad State Bank has enjoyed a special position of importance in the State. It is thus easy to see that there would have been considerable dislocation in the performance of the important functions of the Bank if the Ordinance had not been promulgated before the date of reorganisation of the States.

The currency chests and small coin depots would have been distributed

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over the 3 States and the question of distributing among the 3 State Governments the special powers of control which the Hyderabad Government exercised over the Bank would have presented a difficult problem. It would not also have been possible for the successor State Governments to indemnify the Reserve Bank against losses that might have arisen during this period of transition in the currency chests entrusted to the Bank, as was possible when the Hyderabad Government had special powers of supervision and control over the Bank. The Hyderabad Government undertook a certain responsibility also to indemnify the Reserve Bank in cases of certain losses accruing. But, as a result of the reorganisation, the 3 successor States would not have the same legal responsibility. The Government of India came to the conclusion that the only appropriate solution would be to transfer the ownership and control of the Bank to the Reserve Bank of India so that there might be no interruption of the facilities which the Bank was rendering in the conduct of banking and treasury work over a large area.

I must also refer in this connection to the fact that there has been a certain amount of critcism in regard to the working of the Hyderabad State Bank. The transfer of ownership and control of the Bank to the Reserve Bank of India will enable the Reserve Bank to exercise a more effective and close supervision over its affairs and ensure that it functions on sound lines. The Bank will, in other respects, function on the same lines as the State Bank of India in the areas served by it. As may be expected, the nationalisation of the Bank has entailed considerable changes in the constitution and functions of the Bank. It would now work under the complete control of the Reserve Bank whatever might have been its past history.

Clause 3 of the Bill, however, provides for the continuance of the body corporate constituted by the Hyderabad State Bank Act of 1350 Fasli and it is expressly laid down that the new name namely, 'State Bank of Hyderabad' will not affect the rights or obligations of the Hyderabad State Bank.

The compensation payable to the shareholders of the Hyderabad State Bank has been laid down in clause 6 of the Bill. The rate of compensation has been fixed in consultation with the Reserve Bank. In fact, on an assessment of its assets and liabilities the compensation has been fixed. The Reserve Bank carried out a special inspection of the Bank in order to work out the best possible estimate of the real worth of each share in the capital of the Bank. The total compensation payable will amount to about Rs. 70,71,000. The share of the Hyderabad Government, who hold 38,250 out of a total of 75,000 shares, was paid to them before the reorganisation of the States, that is, before 1st November, 1956. The remaining 36,750 shares are held by private shareholders but no private individual shareholder holds more than 200 shares. Now, compensation will have to be paid to these shareholders.

Clauses 9 and 10 of the Bill deal with the proposal for the reconstruction of the capital structure of the Hyderabad State Bank. Prior to taking over, the paid up capital of the Bank amounted to Rs. 64,29,000. The proposal is that the authorised capital should be fixed at Rs. 1 crore and the issued capital at Rs. 50 lakhs. This capital base is considered adequate for the present but provision for an increase of capital has been made in the Bill, if need for such increase should arise in the future.

The amount in excess of Rs. 50 lakhs in the capital account of the Hyderabad State Bank will be transferred to the Reserve Fund. I would invite the attention of the hon. Members in this connection to clause 27 of the Bill relating to the Reserve Fund. We intend that adjustments should be made in the amount standing at the credit of the Reserve Fund by way of transfer towards provision for bad and doubtful debts, depreciation of assets and for similar purposes, to the extent to which the Reserve Bank consider that adequate provision for these purposes has not been made in the past. It is not possible for me to indicate the amount that will remain in the Reserve Fund after these adjustments are made.

Clauses 11 and 12 of the Bill deal with the management of the Bank and provide for the Reserve Bank assuming responsibility for issuing directions to the Board of Directors. The Board will now consist of not more than six Directors, one of whom will be the Managing Director, two will be officials, one from the Central Government and one from the Reserve Bank, and the others are to be nominated by the Reserve Bank with the approval of the Central Government. There will thus be scope for representation of non-official elements on the Board.

Clause 16 provides that the Chairman of the Board will be nominated by the Reserve Bank from among the Directors other than the Managing Director, with the approval of the Central Government. As present, the Central Government's nominee (a Joint Secretary of the Ministry of Finance) has been nominated by the Reserve Bank as the Chairman of the Board under the corresponding provision in the Ordinance promulgated on the 26th September, 1956.

Clause 24 is intended to enable the Hyderabad Bank to function as the agent of the Reserve Bank, if so required, at any place where it has a branch. The clause is modelled on section 32 of the State Bank of India Act, with certain modifications that the terms and conditions on which the agency business will be performed will be determined by the Reserve Bank and not by mutual agreement between the Reserve Bank of India and the State Bank of Hyderabad as has been provided in the State Bank of India Act. The modification is considered more appropriate in the context of the relationship that will obtain between the Reserve Bank and the Hyderabad Bank. I hope hon. Members will realise that though this Bank also will be owned by the Reserve Bank, this Bank cannot be put on the same category or on the same level as the State Bank of India.

Te Hyderabad Bank will be able, under the proposed clause 25, to undertake all forms of business which a banking company can transact under the Banking Companies Act, but it is proposed to reserve powers to the Central Government to extend or restrict the scope of such business, after previous consultation with the Reserve Bank of India.

Clause 28 provides for the transfer to the Reserve Bank of the balance of profits after making the usual provisions, appropriations and adjustments. The accounts will be closed on the 31st December each year as in the case of the State Bank of India. The Bank will belong to the Reserve Bank and so the profits will also accrue to the Reserve Bank. The provision for audit and returns are modelled on the corresponding section of the State Bank of India Act.

Coming to the other important provisions included in the Bill, I may mention clause 32 which would enable the Reserve Bank to review transactions entered into by the Hyderabad State Bank within the two years before the appointed day which do not appear to have been entered into in a *bona fide* manner. It is provided that such review should be completed within a year from the appointed day.

As I have stated, there has been some criticism about the working of the Hyderabad State Bank. Therefore, it is necessary for the Reserve Bank to retain this power that the past activities of the management may be re-examined by the Reserve Bank and, if necessary, proper action also may be taken under this provision.

Clause 34 will enable the Hyderabad Bank to undertake a programme of expansion which can, if necessary, be

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subsidised by the Reserve Bank. A similar provision has been put in the State Bank of India Act—in section 36 of the Act—and there a statutory Integration and Development Fund has been constituted. But a formal statutory Fund of this nature is not obviously necessary for the State Bank of Hyderabad, considering the restricted area of its operation. The Reserve Bank will determine the amount of subsidy which may be actually needed from time to time and arrange to pay it to the State Bank of Hyderabad. This is meant to cover any losses which the Hyderabad Bank may incur in expanding its branches in rural or semi-rural areas.

The other provisions of the Act are generally based on the corresponding provisions of the State Bank of India Act, but with the essential difference that the Reserve Bank will be able to exercise a wide measure of control over the Hyderabad Bank and assume responsibility for close supervision over the conduct of its affairs. There is also an enabling provision, clause 45, to facilitate the subsequent amalgamation of the Bank with the State Bank of India, if such a step should be considered desirable and feasible at some future date.

The present Bill which is justified by the special considerations, as I have explained, applicable to the Hyderabad State Bank, will not in any way prejudice or anticipate any decision which Government may find it necessary to take in regard to other State-associated banks. There are a number of practical difficulties and other factors to be considered in connection with the proposal made by the Rural Credit Survey Committee, and Government do not wish to be regarded as committed to any line of action in regard to the nationalisation of such banks.

With these observations, I move that the Bill be taken into consideration. I have tabled a certain number of amendments, mostly consequential on the issue of the Ordinance on the 26th September, 1956, for the nationalisation of the bank with effect from the 22nd October, 1956.

Mr. Deputy-Speaker: Motion moved:

> "That the Bill to transfer the share capital of the Hyderabad State Bank to the Reserve Bank of India and to provide for its proper management and other matters connected therewith or incidental thereto be taken into consideration."

Dr. Rama Rao (Kakinada): In the ordinary course I would have requested the Finance Minister to consider the State Bank of Hyderabad as a State Bank for the State of Hyderabad, but there are various complications, including the States' reorganisation—our friends, who have gone to Bombay and Mysore would ask for a share, and rightly they have a share in it, and more so for reasons which I am just going to point out.

The State Bank of Hyderabad is in a very shabby condition. It has been managed as if it was somebody's private property. They have made a mess of it. They have covered it up and the worst of it—that is my charge against the Finance Ministry—is that those very persons who were responsible for the misuse of public funds are now put in positions of responsibility.

Before going into further detail, I would request the hon. Minister in charge to see that a thorough enquiry is held into the antecedents of every one of these people and then remove them from those positions of responsibility. The Reserve Bank is well aware of these mischiefs and mistakes. In fact, it seems the Reserve Bank has pointed out to the Hyderabad State Bank repeatedly that the Hyderabad State Bank had gone against the rules, against the Hyderabad State Bank Act. Not only that. The Reserve Bank pointed out the conditions under which the Hyderabad State Bank was appointed as an agent of the Reserve

Bank and those conditions have been violated in regard to advances, in regard to securities, in regard to arrears, in regard to recovery of amounts advanced, in regard to discounting bills and other things. As rumours go, the total amount now found to be locked up should be round about Rs. 4 crores, of which 50 per cent. even may not be recoverable. It is a very sad state of affairs. Of the total bills discounted aggregating to more than Rs. 80 lakhs, more than Rs. 60 lakhs are advanced to three parties, and repeatedly they have violated every rule of ordinary business and ordinary banking. One cannot help pitying and condemning the State Bank officials for being so easily duped by these capitalists. Closer investigation will prove whether they were innocent dupes. Here comes my point. My suspicion is that they are not really so very innocent. Some of them, at least two of them, have been asked to vacate before any action was taken. This was done by the Reserve Bank, and they have left. But there are others whom our Government has placed in positions of responsibility, and it is about these people that we should see whether they were really dupes.

This bungle is the outcome of the reckless lending policy pursued by the Bank in recent years. For instance, when some bills which were discounted in one place, say in Hyderabad, were not honoured or paid up in Bombay, any Bank will stop further discounting bills from that firm or from that individual. But there are records to show that this practice has been continued, and the amount advanced here has been sometimes used to pay up the bills. So many bogus transactions have been gone into. Secondly, these amounts have not been advanced for genuine industrial enterprises. Most of it was for speculation. With their personal influence, they have played many tricks to use the money from the Hyderabad Bank for their own purposes.

It is reported that one industrial concern had a large number of Razakars on its pay roll and used them for political purposes. It paid the money out of these funds and borrowed from the Bank, and when a certain State Finance Minister objected to the large amount of loan that had been outstanding, they inflated the assets and tried to satisfy him. But a further enquiry was held, and what was the result?

When certain persons were asked to go into the financial position of that concern, they did not consider how much money can be lent to that industrial concern, but how much would be necessary to replace that machinery, which is absurd from a banker's standpoint. Anyway, later on, it was found that it was worth much less. In all these cases there have been bills outstanding for a long time and no rules of banking either governing the conditions under which the Reserve Bank appointed the Hyderabad State Bank as an agent or governing the Hyderabad State Bank Act have been followed. I will not mention any names though I have got the names of individuals as well as firms. But I am trying to go into the past because it is very essential for our public morality to be maintained at the high level the Finance Ministry and banking enjoy. As you know, this Bank has been grossly and knowingly mismanaged, and the Reserve Bank knows many of those details. Now that the Reserve Bank is taking it over, I am sure that a thorough enquiry will be made and not a mere whitewashing. In one case reports from the Bombay branch was received that a particular firm was not in a sound condition and that it was likely to go into liquidation. Therefore, the party got the bills transacted through Hyderabad on Calcutta. These things happened with the knowledge of the officers of Hyderabad. That is my point. The officers in Hyderabad received this information from the Bombay Branch and yet connived at these bills being discounted with the Calcutta branch. This was done by the Hyderabad officers

[Dr. Rama Rao]

and those officers are now employed. That is the point. So, I request the Finance Minister to go into these details. Some of the senior officers at the head office are functioning both as primary sanctioning and supervising authority and this has led to a lot of mistakes, waste and connivance. In one case credit has been raised from Rs. 17 lakhs to Rs. 33 lakhs and in this transaction director was interested and that director, I am sorry to state, is again in the good books of our Ministry. These things have to be investigated; I do not want to mention the name of the director, but he does not deserve to be there. Let the hon. Minister instruct the Governor of the Reserve Bank to appoint proper officers and go into the previous reports and records of the officers and then take drastic action. I am glad the Bill provides for a very important clause which on the face of it looks a little unjust. I am referring to clause 7 which provides that all officers shall be presumed to have ceased to be officers. Therefore, they must take this opportunity of getting rid of some of these officers about whom the Reserve Bank or the Inquiry Committee has got bad records to show.

15 hrs.

"Loan accounts had to be finally made and determined and when it was found that major part of the advances was not recoverable some namby-pamby security arrangements had to be settled and concluded as the result of negotiations in which the say of the debtors prevailed."

In this connection, there is a very interesting quotation from a well-known Manager of the Bank of England and he says:

> "If you owe to your Bank Manager a hundred quid you are under the grip of the Bank Manager, but if you owe a hundred thousand, the Bank Manager comes under your grip".

This is exactly what has happened in the Hyderabad State Bank. These creditors owed huge amounts, which were beyond all reasonable transactions; the Bank has gone on advancing more and more and probably the loss would be something like Rs. 2 crores now.

I want to say one or two words about some of these officers. A newspaper cutting shows how a Secretary within a few years gets from Rs. 150 (Haly) to Rs. 1,800 (Indian money) he gets 12½ per cent. house allowance, 14 per cent. dearness allowance and Rs. 200 for entertainment allowance. I do not know whether the hon. Finance Minister is aware of these matters......

Shri A. C. Guha: Who was this man?

Dr. Rama Rao: He is the Secretary of the Bank. This information is from a newspaper called New Outlook.

Shri Heda (Nizamabad): I think that there would be some misapprehension if the hon. Member only says 'Secretary'. I think, he was employed in another bank which was amalgamated with this bank. I think he is referring to that gentleman?

Dr. Rama Rao: I cannot say that because the position here is the Editor of the New Outlook quotes all the salaries year by year, how initially he started on Rs. 150. Shri Heda must be knowing better. I think he may be right. The fact however, remains that he is in service now. That is my information. Then this Secretary has been doing a little business, as it were in motor cars. It will be interesting to note that these officers are allowed a certain loan from the bank to buy a car; that is perfectly reasonable, but you will be surprised when you hear about the number of transactions he had made. In 1950 he buys a Singer after borrowing Rs. 7,200 from the bank. Then on the 23rd April, 1951 he clears the debt and he buys a Buick, borrowing Rs. 10,000 which he adjusts in July. In the same year, he borrows another Rs. 14,400 and buys a Buick. In 1952, he buys a Morris Sedan for Rs. 8,675 and in 1953 he buys a Buick for about Rs. 12,000. These amounts have been borrowed from the bank. The Buick was brought from America and the parties that buy are under the obligation of the bank. It is for the hon. Minister to go into these details. These transactions of motor cars were very profitable and this Secretary has been giving advances to everyone of his relatives, mother, father, brother, sister, sister-in-law and every sort of people. The fact that he is the son of a Minister should not come in the way of the Reserve Bank of India or our Finance Minister taking drastic action against this man or other people.

Therefore, while supporting the Bill, I want to say one or two points more. The first is about the audit. There was a lot of discussion when we were talking of the audit of the State Bank of India. Still, I would request the hon. Minister to see that the Auditor-General is appointed as the auditor of the bank. If that is not accepted, when the Reserve Bank is authorised to appoint auditors, at least the auditors should not be the auditor of the Reserve Bank so that they would not be under the obligation of the Reserve Bank to be appointed as auditors in the Hyderabad Bank.

I now come to clause 32 which begins thus: "Where the Hyderabad State Bank had at any time within two years before the appointed day...." This period I think is not enough, because to cover up the same transaction, they have borrowed money more than what they have to pay and the latest transaction may be within 2 years. Some mischievous transaction may take place before that period. This is a chain of transactions and hence I desire that the hon. Minister should extend the time limit from 2 to 5 years.

Sub-clause 4 under this clause reads as follows:

"No application made by the Reserve Bank under this Section shall be entertained after the expiry of one year from the appointed day."

I think that it is very easy for one year to expire. It will expire in no time. In the way the red tape works, we can understand how one year would lapse, and after one year the State Government cannot take any action against any of these people responsible for this mischief. Why do you tie your hands before hand, when you are dealing with very capable, very efficient, vested interests who have done a lot of mischief? I suggest that the period should be extended to 5 years.

While supporting the Bill, I request the hon. Minister to look into all these matters, particularly the reports of the Reserve Bank and see that a thorough investigation is done. It may be that he cannot get proper evidence to get conviction against these clever people, but if there is any suspicion against them, they must be removed from positions of responsibility and he must see that this bank works on very healthy lines.

Shri Mohiuddin (Hyderabad City): Mr. Deputy-Speaker, Sir, the Bill was introduced last August and has now come before this House for consideration. The hon. Minister explained in his introductory remarks that the Bill has been introduced on account of the disintegration of the Hyderabad State; he also explained its provisions. But, I expected he would go into some more detail. For instance, the Committee of Direction of the All India Rural Credit Survey appointed by the Reserve Bank of India had submitted a report. An important recommendation of this Committee was that the Imperial Bank of India and the seven or eight other banks whose majority shares were held by the *ex*-Indian States, should be amalgamated with the State Bank of India. The Hyderabad State Bank was one of the banks that should have been amalgamated as recommended by that Committee.

The *ex*-Finance Minister had accepted this recommendation without

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any reservation. When the State Bank of India Bill was discussed here, we were told that another Bill would shortly be introduced amalgamating these banks with the State Bank of India. No information is forthcoming as to how it happened that no Bill was introduced to this effect. We do not also know whether the Government proposes to amalgamate them or not. The Chairman of the State Bank of India in his speech to the shareholders last year said that they were considering the amalgamation of certain small banks with the State Bank of India. Which were the banks he referred to, I am not sure. Now, the hon. Minister has, unfortunately, not explained as to why that promise and the recommendation made by that Committee has not been given effect to. That was one point on which I expected him to enlighten us. I hope he will do so in his reply.

The hon. Minister has said that compensation will be paid to the shareholders of the bank. The *ex*-Hyderabad State Government was holding shares to the extent of 51 per cent. Compensation has been paid to them to that extent on the 1st November. He also said that compensation to the other shareholders would be paid now. He mentioned that the Reserve Bank had assessed the assets and liabilities of the Hyderabad State Bank and that it had recommended that a premium of Rs. 8-9-1 should be paid to the shareholders. The Government of India had also proposed that this premium should be paid. On the one hand it proposes to pay a premium of nearly Rs. 10 to the shareholders; on the other it lays down, for instance in clause 32, that any transaction entered into by the Hyderabad State Bank during the last two years will be gone into by the Reserve Bank of India. If there is any irregularity in the transactions, all the case will be reopened and if necessary, a refund will be demanded. The High Court will be the authority for deciding such cases. If there is a large amount of bad debt—Dr. Rama Rao estimated that the bad debt would be about Rs. 2 crores......

Dr. Rama Rao: Ask the Reserve Bank.

Shri Mohiuddin: I have your estimate.

Dr. Rama Rao: Yes. But, now ask the Reserve Bank.

Shri Mohiuddin: I do not know whose estimate it is but Dr. Rama Rao has stated in his speech that the bad debt would amount to over Rs. 2 crores. I hope the Finance Minister will inform us of the estimate made by the new management of the State Bank of Hyderabad or the newly appointed managing director and also the estimate of bad debt made by the Reserve Bank of India.

Dr. Rama Rao: May I point out that what I read was an article from a newspaper? I quoted it; it is there.

Mr. Deputy-Speaker: If the hon. Member reads from a newspaper, he has to take the responsibility.

Dr. Rama Rao: Of course, I do.

Mr. Deputy-Speaker: He must make sure that something written in the newspaper, which he quotes, has some substance.

Dr. Rama Rao: I stand by the words I said.

Shri Mohiuddin: I am glad, Sir, that you have reminded the hon. Member of his responsibility regarding what he says or quotes from newspapers in this House. He should personally examine and make enquiries and satisfy himself that what he says in this House does carry some truth with it. I have read and examined the balance sheets. I will give an illustration from the figures of the balance sheet as to the likely amount of bad debts that may arise. But, I wish the hon. Minister had also given us an indication as to the findings of the Reserve Bank. I may mention that during the last six years, since the integration or even before, from 1950, the Managing Director of this Bank was a person who was a highly responsible officer in the Reserve Bank of India. As the hon. Minister mentioned, one of the officers of the Finance Ministry was nominated to the board of this Bank. For the last five or six years the Reserve Bank and the Government of India have been directly connected with this Bank.

Now, the point that I wish to make is that, if on the one hand the Reserve Bank of India had found that there is a likelihood of a substantial amount of bad debts arising out of the transactions entered into by the State Bank, why is it, on the other hand it is proposed that there should be a premium on the shares? The shareholders are, after all, responsible for the soundness of the Bank. Why is it proposed that we should pay nearly Rs. 10 as premium to the shareholders? Why should not that large amount of, I believe, about Rs. 17 lakhs be carried to the reserve so that the reserve is strengthened to meet the likely bad debts that may arise in due course?

I said that I would give some figures that I had noted down from the balance-sheets of the Hyderabad Bank. They have a bearing on the premium that we propose to give to the shareholders. The balance-sheets from 1953 to 1955 have been placed in the library, but I have got with me figures from 1952. The banks are required, under the concerned Act, to give details of the advances. The heads of the details of advances are: (i) debts considered good in respect of which the bank is fully secured, (ii) debts considered good for which the bank holds no other security than the debtor's personal security and (iii) debts considered good secured by personal liabilities of one or more parties in addition to the personal security of the debtor. Now, under the head "debts considered good secured by personal liabilities of one or more parties", in 1952 the advance was Rs. 1,52,43,000. In 1953 it was Rs. 1,91,32,000. In 1954 this figure jumped up to Rs. 3,53,00,000—nearly Rs. 1½ crores more. In 1955 it amounts to Rs. 3,12,00,000. There are slight changes in the advances made under the first heading, that is, fully secured debts.

What is the reason for this sudden jump in the advances for which securities are taken note only from the debtor himself but personal security from others? This is a disturbing factor which strikes the eye of a person who closely examines the balance-sheets. This leads me to conclude—I am not quoting from newspaper reports as Dr. Rama Rao has quoted—that there may be some important development within the accounts of the Bank which requires a thorough examination and investigation, and which may also lead to the conclusion that there may be certain bad debts.

In spite of the reports which Dr. Rama Rao has quoted, I estimate—and I want the hon. Finance Minister to confirm or contradict—that the bad debts may be about Rs. 80 lakhs. I do not know. I have no chance of examining nor is there any source of information for me. But the Reserve Bank should be able to know better. I want the Finance Minister to give us this information because clause 32 has caused widespread consternation among the depositors of the Bank. Of course the Reserve Bank is now the owner of the Bank but the Reserve Bank does not take responsibility for the deposits. There is no such provision in the Bill nor do I suggest it. But it has caused widespread consternation that the Reserve Bank will open up those transactions which were entered into by the Bank during the last two years.

I do not propose to oppose this clause. It may be necessary. But I want, at the same time, some assurance, some indication that may give some security to the depositors that the Bank is in sound condition. The Finance Minister said that clause 32

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is necessary and he has pressed that it should be passed. I agree with him. I have suggested the assurance that he should give regarding the soundness of the Bank.

I also want an assurance from the Finance Minister that this clause 32 will be enforced, that the Reserve Bank and the Finance Ministry of the Government of India will actually act up to it, will examine the cases and place a report on the Table of the House. If the cases are opened, of course, we will know from the proceedings of the High Court what happens to those cases. If the Government of India, as it usually happens, comes to the conclusion after examination—and I am told that the Reserve Bank of India has been examining the books of this Bank for the last five or six years—that it is not necessary for the Bank to reopen the cases in the High Court, will the Finance Minister give this assurance that in that case they will submit a report to this House as to the basis for the conclusions that they have arrived at?

Now, another item in the balance-sheets shows along with generally the bank's assets, any non-banking assets acquired by the bank in satisfaction of its claims against their clients. I have examined the balance-sheet and I find that there is no amount given against this item. The figures for the premises, that is to say, immovable property of the bank, have gone up during the last three years by about a lakh and a half rupees, while the State Bank had constructed a building costing about Rs. 40 lakhs. Of course, that might have been met from the building reserve that the State Bank perhaps has been able to build up. But I was told that the bank, during the last year, had acquired a house which is now the residential house of the managing director. It had been purchased—I am not quite sure about the figures—for about Rs. 2 lakhs or Rs. 2½ lakhs. The house belonged to a client who failed to pay up his loans to the bank. This house was acquired for Rs. 2½ lakhs. The market value of this house may be about Rs. 1¼ lakhs. I am told that this house was acquired after full consideration, and perhaps it will be within the knowledge of the Reserve Bank of India. In any case, the bad debt in that account would have been about Rs. 1½ lakhs and it was thought desirable and necessary that this building may be acquired so that a part of the bad debt at least may be written off. That has not been mentioned in the balance-sheet under the heading, "Non-banking property acquired in lieu of the claims from the clients". Of course, I do not propose to go into all the details but still, I mention this case because it also falls under clause 32 of the Bill. Clause 32 of the Bill specifically mentions any property acquired by the bank which should not have been acquired by it. This is also another case in which the House has a right to know what will happen within the next year regarding the operation of clause 32.

These are the general remarks that I had to make. Unfortunately, we had no time to submit our amendments. I gave my amendments only this morning and I hope the Minister has received them. There was no time for their circulation.

Now, the paid-up capital of the bank is being reduced. At the present moment, the paid-up capital is Rs. 64,28,000. This capital is being reduced to Rs. 50 lakhs. The general banking principle is that the paid-up capital should bear some proportion to the deposits. The deposits in the State Bank of Hyderabad are between Rs. 16 crores and Rs. 17 crores. They have been between Rs. 16 crores and Rs. 17 crores for the last three years. A deposit of about Rs. 17 crores and a paid-up capital of Rs. 50 lakhs is not a sound basis for a bank. I therefore suggest that the paid-up capital should be raised to Rs. 1 crore, the Reserve Fund now amounts to about Rs. 65 lakhs. The share money has got to be paid to the shareholders with the premium from out of this Reserve Fund. I hope that if this bank is to run on a sound basis, the reserve will have to be increased. I have also given an amendment to that effect, but still, I do not propose to go into the amendments that I have proposed. I hope, Sir, you will permit me to move the amendments at the time when we consider the clauses.

Dr. Rama Rao: Lest I should be misunderstood as creating a scare from newspaper Reports, can you allow me to say that my information is not an over-estimate? My information is that the Reserve Bank reported as early as 1954 that the advances having undesirable features show a rise of Rs. 3.11 crores to Rs. 4.64 crores. That is 52 per cent. of the total advances. These are the words used: "having undesirable features". Therefore, my estimate of Rs. 2 crores being the loss, is not an over-estimate. It is Rs. 4.64 crores.

Mr. Deputy-Speaker: If the hon. Member has got a firm basis for his information, he need not have any apprehension. Shri Heda may now speak.

Shri Heda: Mr. Deputy-Speaker, the Hyderabad State, in the old days, was known for financial stability. One of her Prime Ministers in those days, the late Sir Akbar Hydari, had laid the financial foundations on a very solid ground, and when the State Bank of Hyderabad was conceived, its working in the first few years was very solid. But, unfortunately, it had to go through a very sad and tragic history. Before the police action, the regime was such that it used the State Bank. The result was that soon after the police action, a good number of loans had to be wiped out and thus the mistakes of the past Government were rectified. It was expected that after the democratic regime in the Hyderabad State, everything would be all right with the State Bank of Hyderabad, but, somehow or other, for mysterious reasons, things did not improve.

The hon. Minister was good enough to tell us the history and the close association of the State Bank of Hyderabad with the Reserve Bank of India. He also told us that the Hyderabad State Bank had an option not to come under the control of the Reserve Bank, but voluntarily, it offered itself, and its working was, in fact, under the control of the Reserve Bank of India. It was expected by the business circles of Hyderabad that after the control of the Reserve Bank of India, the State Bank of Hyderabad could again be pleased on a sound footing, but that did not happen.

Dr. Rama Rao referred to certain transactions. The sad story was repeated again and again and, as he said, the bills were discounted by the very same parties and from one branch of the Hyderabad State Bank they were sent to another branch of the Bank in the name of the very same parties. At that time, the very same party would again forward another bill in the name of another branch of the Hyderabad State Bank. Thus, without any money passing in cash and without there being any real transaction, for speculative purposes a good number of parties used this Bank. It is very doubtful how the conduct of the officers in the Hyderabad State Bank would go undetected at the hands of the Reserve Bank of India, which covered all the losses that accrued. The move was set in that the Hyderabad State Bank might be taken over by the State Bank of India. The negotiations had gone very far and at one stage it was expected that on any day it may be announced that the Hyderabad State Bank has become a part and parcel of the State Bank. That did not happen. I hope the hon. Minister will explain in his reply why it did not happen.

My information is that the State Bank of India went into the details, assessed the assets and liabilities and came to the conclusion that they could not pay the price that the Hyderabad

[Shri Heda]

Government, or for that matter, the Reserve Bank of India, would like them to pay for the shares. According to them—that is my information—the shares were not worth even half the value. Instead, the shares were raised to almost 12½ per cent. premium. Thus, the shareholders' interests had been protected and whatever losses occurred as a result of the past misdeeds by the Hyderabad State Bank had practically been taken over by the Reserve Bank. I know there is a provision in the present Bill that if any losses accrue, it will not be the responsibility of the Reserve Bank. But, the very fact that all the shares are owned by the Reserve Bank—the total share money is that of the Reserve Bank—shows that in practice, in effect, all the losses become the losses of the Reserve Bank. It is very difficult to say what would be the quantum of the losses. What Dr. Rama Rao read from the papers is not unreliable information and I think his estimate may not also be far wrong. The very fact that the Hyderabad State Bank had to take recourse to the personal properties of the clients who had discounted the bills shows that the loans advanced were for dubious transactions and there is every possibility of a good portion of it going as bad debt and ultimately it may have to be wiped off.

I come to another point. Why was it necessary for the Reserve Bank to purchase this bank? Was it simply because that as a result of the States re-organisation, the territory of the former Hyderabad State was going into three different States and the area covered by the Hyderabad State would not be covered by any particular State now? In that case, they could have turned it into a private bank, or liquidated it and paid the shareholders the present price or, if the assessment was still better, the better price; or, they could have amalgamated it—as was the original proposal—with the State Bank of India. All this did not happen. Instead, the Reserve Bank came forward and, contrary to their policy so far, they created a sort of rival to the State Bank. No doubt the provision has been inserted that this Bank may at a future time take to giving banking facilities in the rural and semi-rural areas, and for that, the Reserve Bank may subsidise the transactions or the working of the future State Bank of Hyderabad. I think this and other ways have been found out to cover the past misdeeds and the losses. I feel that the Indian exchequer has been deprived of a good lot of money. Therefore, it is very necessary that a thorough enquiry, which will satisfy not the Finance Ministry, but the popular mind and popular sentiment, should be held. Otherwise, there is every possibility that the elements that had indulged in all these misdeeds for the last ten years or so may go on with the same type of activities, whether in the Bank or in other spheres of life. If evil is to be punished, here is the proper time to make an enquiry and punish it. Instead of doing this, they have been assured of their salaries, positions and all that. The feeling in the circles which are in the know of the past history of the Bank from close quarters is that in this world, if one is clever enough, he can indulge in any sort of anti-social activities and still come to the top. I am very sorry at this state of affairs and I hope even at this late hour, without standing on the question of prestige, the Finance Ministry would undertake a thorough investigation into the whole matter.

I would like to make one or two suggestions before I conclude. I quite agree with Shri Mohiuddin that there is no reason for decreasing the share capital of the bank in the new form. In fact, the share capital needs to be increased. If that is not done today, I am quite sure it will have to be done tomorrow, because even as it is there is an indication that this bank may go to the rural and semi-rural areas and its area of field activity would be very wide. The population of the former Hyderabad State was

1,86,00,000, whereas the present Andhra Pradesh, of which Hyderabad is the capital, has a population of 3,20,00,000. It is a big area with great potentialities. There is lot of irrigated land in Telangana and Andhra side. Therefore, I am quite sure that the activities of this bank will have to be increased manifold. So, the share capital of Rs. 50 lakhs would be very very inadequate. At the first instance it should be increased to at least Rs. 1 crore, as suggested by Shri Mohiuddin. I hope the time may come when even Rs. 1 crore would be found inadequate and it will have to be further increased.

If the idea is that after some time, the so-called bad debts are to be cleared and then the Bank would be handed over to the State Bank of India, as was the original idea, what they would have done was, they would have asked the State Bank of India what are the debts which they deem to be bad and they would have formed a separate company or they would have kept the area of activity of the old Hyderabad State Bank only to collecting those bad debts and the rest of the assets and liabilities would have been handed over to the State Bank of India. Thereby, the smooth working would have been possible and the policy of the Government throughout the country that the small banks in the old Indian or princely States should not be there and they should be integrated with the State Bank of India would have been easily implemented. That was not done. Therefore, I think that the Finance Ministry should make its mind clear. If they aim that the activities of the present Bank should be increased and vast sums should be given to it at subsidised interest, so that it may give credit in the rural and semi-rural areas in the potentially rich Andhra Pradesh, they should think at that level and make the present Bank work on those lines. In that case, again, I would like that commercial banking and the rural credit banking should be separated. If only rural credit is the aim, that would be still better and we would be able to understand the change of the name and taking over its separate entity, etc. If that is not the aim, if the Finance Ministry thinks that at some stage, may be six months, may be one or two years, this will be integrated with the State Bank of India, then, let only that portion of the bad debts be accumulated at one place and the rest of the liabilities and assets be handed over to the State Bank of India. Let the old Hyderabad State be given the task of collecting what we call bad debts and whatever amount they may get, they may distribute to the shareholders later. In the mean time they would be given the amount assessed by the State Bank of India. I hope the Finance Minister would make his mind clear about the future working of this Bank and take steps accordingly.

Shri A. C. Guha: I am glad that the three Members coming from Andhra Pradesh have practically supported this Bill. Dr. Rama Rao has tried to paint a very gloomy picture about the past performance of this Bank. Of course, I myself stated in my opening speech that there has been some criticism about the working of this Bank. The Reserve Bank also had to conduct some inspection, and under clause 32 we have a provision that within the next one year, the Reserve Bank may re-open the transactions which may appear doubtful to the Reserve Bank,—within two years from the taking over of this Bank. We know that there have been some reports—not very healthy, not very good—about the working of this Bank. At the same time, the picture which Dr. Rama Rao has given us is somewhat exaggerated. He has tried to put the figure of bad debts at near about Rs. 2 crores. I think that is not quite correct. Rather Shri Mohiuddin's figures may be somewhat more correct. I expect that in the ultimate analysis, the amount to be written off may be near about Rs. 80 lakhs which Shri Mohiuddin has conceded. We are still not very definite about the figure. But, I expect it may not exceed Rs. 60 lakhs.

Mr. Deputy-Speaker: In one instance, Rs. 1,80,000 may be written off on account of the purchase of the house.

Shri Heda: That is not a bad debt. It has been manoeuvred.

Mr. Deputy-Speaker: When its value is Rs. 1 lakh and some thousands, it has been purchased for Rs. 250,000.

Shri A. C. Guha: There may be some loss in some transactions.

Dr. Rama Rao: It is fraud: not loss.

Shri A. C. Guha: According to the estimate of the book value the total assets, taking into consideration all the losses and liabilities of this Bank are Rs. 129 lakhs. We are paying to the shareholders Rs. 71 lakhs. While estimating this value of the assets and compensation, the Reserve Bank has taken into consideration the possible bad debts and other liabilities. There may be some loss in some transactions. The other transactions may have been somewhat profitable. This Bank has also some reserve funds and hidden profits. Calculating all these assets of the Bank, the Reserve Bank has put the compensation figure at Rs. 71 lakhs.

I think, whatever might have been the past, we should pay more attention to the future for which provision is being made in this Bill. It is not of much use now raking up the past. But, we have also made provision in this Bill to examine the past and if necessary we shall take necessary action. Dr. Rama Rao has said that those who have been responsible for these misdeeds have all been kept in positions of authority. But that is not quite correct. The managing director has gone. All the old directors except one and the Reserve Bank nominee have been changed. The present managing director is a new one who is not connected with any of the alleged irregularities. As for the officers and other employees guilty of malpractices, a thorough investigation will be made and necessary action will be taken.

Shri Heda has taken some objection to a provision in this Bill guaranteeing the present pay and amenities and service conditions to the employees. A similar provision has also been made in the State Bank of India Act. I think that is quite necessary. That does not give any protection to any officer who may be found guilty of some misdeeds in the course of the investigation. This is only a general provision to give protection to the present staff. Anybody who will be found guilty of some misdeeds will be dealt with in the proper manner.

Shri Mohiuddin has said that clause 32 has created a sort of consternation among the depositors. I cannot understand how it could have created a sort of consternation among the depositors. Clause 32 can only affect the officers or managers.

Shri Heda: He said clause 36.

Shri Mohiuddin: Clause 32 simply means that the Bank was very very badly managed. That is how the depositors are affected.

Shri A. C. Guha: It may not mean like that. It means only that the Reserve Bank has some suspicion and doubts. There have been several reports received from different quarters. The Reserve Bank reserves this right to re-open and examine the old cases, if there be any occasion for suspicion and doubt. Anyhow, that can only affect the officers and those who were in charge of management. Rather, it should give a sort of assurance to the depositors that no guilty person would be allowed to escape.

16 hrs.

Shri Mohiuddin has again asked for an assurance about the soundness of the Bank. As I have stated, the assets of the Bank have been estimated at Rs. 129 lakhs and we are paying to the share-holders Rs. 71 lakhs. To that extent, I think he will find the Reserve Bank is satisfied about the soundness of the Bank at least with regards to its future transactions.

Then he has asked that an assurance may be given that in terms of clause 32 the deposits of the depositors are safe. I think the simple fact that the Reserve Bank is taking over the Bank will give an assurance to the depositors that their deposits will be quite safe. Whatever might have been the faults of the past management, the depositors, I think, will have no occasion to suffer as far as the safety of their present deposits with the Bank, is concerned.

Dr. Rama Rao has tried to say that the period of two years to be covered by clause 32 before the appointed day and the period of one year for the review to be completed after the appointed day, are too short, but I think we cannot hang a sword of Damocles over the officers for an indefinite period. I think one year would be quite enough for the Reserve bank to trace the culprit if there is anybody to be punished there.

Then, something has been said about the authorised capital and the subscribed capital of the Bank. The hon. members will find that there is a provision in clause 9 stating:

> "Provided that the Reserve Bank may, with the previous sanction of the Central Government, authorise an increase or reduction in the authorised capital of the Hyderabad Bank."

Then again in clause 10(2) it has been stated:

> "The Reserve Bank may, with the previous sanction of the Central Government, authorise an increase in the issued capital of the Hyderabad Bank, and such increased capital shall be provided by the Reserve Bank."

So, we have taken enough care to see to it that without amending the Act the Reserve Bank and the Central Bank can increase the authorised as well as the subscribed capital. So, there should not be any fear on the score that the subscribed capital would be too small for the purpose of this Bank.

Shri Heda has mentioned about the natural resources and future prosperity of Andhra Pradesh and that this Bank will have to take up all those responsibilities. I can give him this assurance that whenever this Bank needs further capital, the Reserve Bank and the Central Government will take appropriate action under the provisions of the Bill before the House.

Shri Mohiuddin has referred to the Rural Credit Survey Committee Report and asked what about the other State Banks. I think he was not quite correct when he said that the previous Finance Minister accepted that recommendation without reservations. That is not at all correct. He may read the Government statements on that matter made on different occasions. I think in December 1954 the first statement was made by the then Finance Minister, and later at the time of passing the State Bank of India Act I also made certain statements. Nowhere have we stated categorically that the other State Banks would be taken over by the Government or the Reserve Bank. We have only stated that we have in principle accepted this recommendation and we shall examine the proposal and wherever possible and whenever necessary we shall surely implement it.

On this point I would refer the hon. Member to the position of the other State-affiliated Banks. There are nine or ten banks out of which the Bank of Baroda has to be left out due to some legal difficulty. The Saurashtra Bank and the Bank of Patiala are wholly under the State Governments. The entire capital has been subscribed by the two State Governments in these two Banks. There was previously some difficulty about the State Government managing a Bank, some constitutional difficulty, when banking was a Union subject; but that difficulty has been removed. Now, the two State Governments will run these two Banks. The Bombay Government will run the Saurashtra State

[Shri A. C. Guha]

Bank and the Punjab Government will run the Patiala State Bank.

So, there now remain only six other Banks of which this one we are taking over. Of the other Banks, in the case of two there is not a single pie contributed by any State Government to the share capital—that is in the case of the Rajasthan Bank and the Mysore Bank. In four other Banks the share of the respective State Governments does not exceed 34 per cent. In one case it is 5 per cent, in another it is 25, in another 34·5, in another 16·4. So, it can hardly be said that they are really State Banks. We have examined how far they can be helpful for the purpose of spreading rural credit, and I think it is yet premature to say that Government or the Reserve Bank would consider these banks to be the quite appropriate machineries to give rural credit. But we have not come to any definite decision. We shall decide in appropriate time. But, I think the programme of the Reserve Bank and the Central Government about rural credit will not be delayed. That has been proceeding; and the State Bank of India has undertaken to open branches in rural areas and semi-urban areas. That question should not be tacked on to this Bank. We are now nationalising it primarily, if not solely—I should rather say solely—because of States' reorganisation. Hyderabad State has been split into three States. So, the nationalisation of this bank should not be tacked on to the question of rural credit survey recommendation. It is just in its own merit that it has been decided to nationalise this Bank.

I think I have covered almost all the points mentioned by the three hon. Members. I hope now the Bill may be taken up for consideration.

Shri Heda: I had enquired whether there was a talk going on with the State Bank of India to take over this Bank, and if so, what happened to those negotiations?

Shri A. C. Guha: There is a provision here under which, without amending the Act, this Bank can be amalgamated with the State Bank. I have stated that in my opening speech.

Shri Heda: Did the negotiations take place in this regard?

Shri A. C. Guha: There is no question of negotiations. Now the Bank will belong to the Reserve Bank and whenever the Reserve Bank feels it necessary, it will simply transfer it to the State Bank.

Mr. Deputy-Speaker: The question is:

> "That the Bill to transfer the share capital of the Hyderabad State Bank to the Reserve Bank of India and to provide for its proper management and other matters connected therewith or incidental thereto be taken into consideration."

The motion was adopted.

Clause 2— (*Definitions*)

Amendment made:

Page 2—

for lines 2 and 3, *substitute*:

'(a) "appointed day" means the 22nd day of October, 1956;'

—[Shri A. C. Guha]

Mr. Deputy-Speaker: The question is:

> "That clause 2, as amended, stand part of the Bill".

The motion was adopted.

Clause 2, as amended, was added to the Bill.

Clauses 3 to 5 were added to the Bill.

Clause 6— (*Compensation to Shareholders etc.*)

Shri A. C. Guha: Sir, I have an amendment. There is a slight typographical error. Instead of 'the shares in the capital of the Hyderabad State

Bank of the Reserve Bank', it should be 'to the Reserve Bank'.

Here, the position is this. Under regulation 49 of the Hyderabad State Bank, a shareholder may claim a minimum dividend of 3 per cent. We want to overcome that difficulty. Here we are providing that no such claim shall be entertained. But any dividend which has been declared by the Hyderabad State Bank but not yet been paid, that liability, of course the Reserve Bank takes over. But, for any period for which the Hyderabad State Bank has not declared a dividend, we do not like to entertain this liability of any shareholder claiming a minimum dividend of 3 per cent under regulation 49. Of course, if on examination the Reserve Bank finds that there is sufficient money for it, sufficient profit, then, it can declare the dividend. I hope the amendment will be accepted.

Shri Mohiuddin: May I know whether 3 per cent. was guaranteed by the Government of Hyderabad or was it only in the regulation?

Shri A. C. Guha: It was only in the regulation. I do not think it was in the Act.

Mr. Deputy-Speaker: There is an amendment in the name of the hon. Member, Shri Mohiuddin; does he want to move it?

Shri Mohiuddin: No, Sir.

Amendment made:

Page 3—

for lines 11 to 22, *substitute*:

"(2) Notwithstanding the transfer of the shares in the capital of the Hyderabad State Bank to the Reserve Bank, any shareholder who, immediately before the appointed day, was entitled to payment of dividend on the shares of the Hyderabad State Bank held by him shall be entitled to receive from the Hyderabad Bank all dividends declared by the Hyderabad State Bank in respect of his shares for any year which ended before the appointed day and remaining unpaid.

(2A) Notwithstanding anything contained in the Hyderabad State Bank Act, 1350F, no such shareholder shall be entitled as of right to any dividend on the shares of the Hyderabad State Bank held by him in respect of any period before the appointed day for which that Bank had not declared a dividend:

Provided that the Central Government may, in respect of any such period, authorise the payment of dividend at such rate as it may specify if it is satisfied that there is sufficient balance of profits available after such provisions and contributions for the purposes referred to in section 28 as the Reserve Bank considers necessary have been made."

—[*Shri A. C. Guha*]

Mr. Deputy-Speaker: The question is:

"That clause 6, as amended, stand part of the Bill."

The motion was adopted.

Clause 6, as amended, was added to the Bill.

Clause 7—(*Certain officers of the Hyderabad State Bank to vacate office.*)

Shri A. C. Guha: There is a Government amendment, Sir. That is also consequential on the Ordinance. The Bank has already been taken over by the Reserve Bank.

Amendment made:

Page 3, line 41—

after "if his employment had ceased" *insert*, "on the appointed day".

—[*Shri A. C. Guha*]

Mr. Deputy-Speaker: The question is:

"That clause 7, as amended. stand part of the Bill."

The motion was adopted.

[Mr. Deputy-Speaker]

Clause 7, as amended, was added to the Bill.

Clause 8 was added to the Bill.

Clause 9.— (*Authorised Capital*).

Mr. Deputy-Speaker: There is an amendment to clause 9 by Shri Mohiuddin.

Shri Mohiuddin: Sir, I move:

Page 5, lines 3 and 4—

for "one crore" *substitute* "two crores".

Shri A. C. Guha: I am not prepared to accept it, Sir. I have stated that there is already provision in the Bill.

Mr. Deputy-Speaker: The question is:

Page 5, lines 3 and 4—

for "one crore" *substitute* "two crores".

The motion was negatived.

Mr. Deputy-Speaker: The question is:

"That clause 9 stand part of the Bill."

The motion was adopted.

Clause 9 was added to the Bill.

Clause 10.— (*Issued Capital*).

Shri A. C. Guha: In clause 10, there is an amendment No. 6. It is only for clarification. This is also made in the Ordinance.

Amendment made:

Page 5, line 11—

after "Hyderabad Bank and" *insert* "such capital".

—[*Shri A. C. Guha*]

Mr. Deputy-Speaker: The question is:

"That clause 10, as amended, stand part of the Bill."

The motion was adopted.

Clause 10, as amended, was added to the Bill.

Clauses 11 to 17 were added to the Bill.

Clause 18.—(*Remuneration of directors*)

Shri A. C. Guha: Sir, in clause 18, there is a Government amendment, No. 7. This is also simply for clarification. It was introduced in the Ordinance also. The word 'Government' will include State Government officers as well. There is no specific provision in the Bill for the nomination of the State Government Officers on the Board and if one of the Directors to be nominated by the Reserve Bank happens to be a State Government Officer, it will be for the State Government to regulate his travelling and other expenses. So, we make a distinction between the State Government and Central Government Officers.

Amendment made:

Page 8, line 13—

for "Government" *substitute* "Central Government".

—[*Shri A. C. Guha*]

Mr. Deputy-Speaker: The question is:

"That clause 18, as amended, stand part of the Bill."

The motion was adopted.

Clause 18, as amended, was added to the Bill.

Clause 19 to 23 were added to the Bill.

Clause 24— (*Hyderabad Bank to act as agent of the Reserve Bank*)

Shri A. C. Guha: Sir, there is a Government amendment to clause 24, No. 8.

It has been provided that the terms shall be settled by the Reserve Bank. We cannot leave a vacuum till the terms and conditions are finally settled. So, it has been provided in this clause for the interim period. It provides for the continuance of the present arrangement; this will be till the new arrangement is made.

Amendment made:

Page 10, after line 14, add:

"(4) Until a new arrangement is made under this section, the Hyderabad Bank shall continue to act as agent of the Reserve Bank at the same places where and for the same purposes for which, and on the same terms and conditions on which, the Hyderabad State Bank was acting as the agent of the Reserve Bank immediately before the appointed day.".

—[*Shri A. C. Guha*]

The motion was adopted.

Mr. Deputy-Speaker: The question is:

"That clause 24, as amended, stand part of the Bill.".

The motion was adopted.

Clause 24, *as amended, was added to the Bill.*

Clauses 25 *and* 26 *were added to the Bill.*

Clause 27— (*Reserve Fund*)

Shri Mohiuddin: I beg to move:

Page 11, *after* line 28, *insert*:

"(aa) rupees fifty lakhs which will be transferred by the Reserve Bank of India to Hyderabad Bank on the day this Act comes into force; and".

I have suggested that the paid-up capital should be raised to Rs. 1 crore but the hon. Minister has not accepted it. I suggest that the base of the Bank—Rs. 50 lakhs is the paid-up capital now—may be strengthened by the transfer of Rs. 50 lakhs from the Reserve Bank to the reserve fund of the State Bank so that there is more confidence in the public and others concerned. I hope the Minister will accept my amendment. There is no departure from our policy. The Government of India made available a sum of Rs. 5 crores straightaway when the Reserve Bank was formed.

Shri A. C. Guha: It will be rather easier for me to swallow his previous amendment than this one. I am not able to accept the amendment.

Mr. Deputy-Speaker: The question is:

Page 11, *after* line 28, *insert*:

"(aa) rupees fifty lakhs which will be transferred by the Reserve Bank of India to Hyderabad Bank on the day this Act comes into force; and".

The motion was negatived.

Amendment made:

Page 11, line 27—

for "sub-section (2)" *substitute* "sub-section (1)".

—[*Shri A. C. Guha*]

Mr. Deputy-Speaker: The question is:

"That clause 27, as amended, stand part of the Bill.".

The motion was adopted.

Clause 27 *as amended, was added to the Bill.*

Clause 28 *was added to the Bill.*

Clause 29— (*Closing of annual accounts*)

Shri Mohiuddin: I beg to move:

Page 12—

Omit lines 11 and 12.

I propose by my amendment to delete sub-clause (a).

Mr. Deputy-Speaker: That is not necessary; that will be a negative vote.

Shri Mohiuddin: (a) is only part of the clause. I shall explain the reasons for it. The reasons are these. The Hyderabad State Bank accounts are now closed on the 30th September. According to the Banking Act, the accounts of banks should close at the end of December every year. It is for this purpose that it is provided that the accounts of the State Bank should also close on the 31st December. But if in any year it may not be

[Shri Mohiuddin]

possible to close the accounts on the 31st December, the enabling clause is introduced here—"close and balance its books on any other day of the year or for any period other than a calendar year." That is sufficient. The sub-clause "not close or balance its accounts on the thirty-first day of December in any year, or" is unnecessary. I hope the hon. Finance Minister has thought over this. Sub-clause (b) is quite sufficient according to the Act, and two negative clauses are not necessary. Sub-clause (b) is sufficient.

Shri A. C. Guha: No, I think it is necessary, because the previous provision is an obligatory provision for the bank to close its accounts on the 31st December. I think the first part also is necessary.

Mr. Deputy-Speaker: The question is:

Page 12,—

omit lines 11 and 12.

The motion was negatived.

Mr. Deputy-Speaker: The question is:

"That clause 29 stand part of the Bill.".

The motion was adopted.

Clause 29 was added to the Bill.

Clause 30— (*Audit*)

Shri A. C. Guha: My two amendments to this clause are only seeking to make verbal changes, and they are Nos. 9 and 10.

Amendments made:

(1) Page 13, line 11—

for "An" *substitute* "The".

(2) Page 13, line 29—

for "profit and loss" *substitute* "profit or loss".

—[*Shri A. C. Guha*]

Shri Mohiuddin: My amendment is No. 24. I beg to move:

Page 12, lines 24 and 25—

Omit "with the approval of the Central Government".

I have suggested that the words "with the approved of the Central Government" may be omitted because the Reserve Bank is responsible for it, and the Government of India has, under a subsequent clause the authority to appoint its own auditor. There is no meaning in the Government of India approving one auditor who normally audits and then appointing another Auditor for special audit. There is no meaning in the Government of India coming in in both these clauses.

Shri A. C. Guha: I cannot accept the amendment suggested by the hon. Member.

Mr. Deputy-Speaker: The question is:

Page 12, lines 24 and 25—

omit "with the approval of the Central Government".

The motion was negatived.

Mr. Deputy-Speaker: The question is:

"That clause 30, as amended, stand part of the Bill."

The motion was adopted.

Clause 30, as amended, was added to the Bill.

Clause 31 was added to the Bill.

Clause 32— (*Right of Reserve Bank to seek relief in respect of certain transactions*)

Shri Mohiuddin: Instead of the words "within two years before the appointed day" I have suggested that the appointed day should be brought in, that is, before 22nd October, 1956. If this Act comes into force from the end of December or even it may take some longer time and the period will still be reduced. I thought that a minimum of one year should be provided and I wanted to calculate it from the 22nd October 1956, on which the Ordinance came into force.

Shri A. C. Guha: The Reserve Bank is already looking into this matter and whatever action is necessary, they might have started to take it.

Mr. Deputy-Speaker: The Minister is not prepared to accept it. Does the hon. Member wish to move his amendment in the circumstances?

Shri Mohiuddin: I do not move it, Sir.

Mr. Deputy-Speaker: The question is:

> "That clause 32 stand part of the Bill."

The motion was adopted.

Clause 32 was added to the Bill.

Clauses 33 to 38 were added to the Bill.

Clause 39—(*Exercise of powers and functions on behalf of the Reserve Bank*)

Shri A. C. Guha: Sir, I have an amendment to clause No. 39. It just follows the line taken in the Ordinance. Under the Reserve Bank of India Act, the Deputy Governor may perform certain functions of the Governor during the latter's absence. So, he may perform those functions under the present Bill also. It also clarifies that other officers may exercise only certain well-defined and restricted powers and functions as are given to them.

Amendment made:

Page 16, lines 33 and 34—

for "or such other person or persons as may be prescribed" *substitute*:

> "or, in his absence, a Deputy Governor nominated under sub-section (3) of section 7 of the Reserve Bank of India Act, 1934, or, subject to such conditions and limitations and in respect of such matters as the Governor of the Reserve Bank may specify, such officer or officers of the Reserve Bank as may be prescribed".

—[*Shri A. C. Guha*]

Mr. Deputy-Speaker: The question is:

> "That clause 39, as amended, stand part of the Bill.

The motion was adopted.

Clause 39, as amended, was added to the Bill.

Clause 40 was added to the Bill.

Clause 41— (*Power of Central Government to make rules*)

Shri A. C. Guha: I have two amendments Nos. 12 and 13 to clause 41. The first is just a sort of a clarification to make the meaning quite clear and define the rule-making power more precisely. The other amendment seeks to delete the sub-clause which has been considered unnecessary, the other sub-clause being considered sufficient to cover the case of the Hyderabad Bank. These changes are in line with the Ordinance.

Amendment made:

(1) Page 17, line 6—

for "the procedure for" *substitute* 'the manner of, and the procedure for".

(2) Page 17—

(i) line 23, *omit* "and"; and

(ii) *omit* lines 24 and 25.

—[*Shri A. C. Guha*]

Mr. Deputy-Speaker: The question is:

> "That clause 41, as amended, stand part of the Bill."

The motion was adopted.

Clause 41, as amended, was added to the Bill.

Clause 42 was added to the Bill.

Clause 43—(*Amendment of certain enactments*)

Shri A. C. Guha: For clause 43, I have an amendment No. 14. This is also a sort of a clarification which makes clear the meaning. The amendments suggested shall take effect not on the day on which the Ordinance was promulgated but on 22-10-1956. These provisions will take effect on that day.

Amendment made:

Page 19—

for clause 43, *substitute*:

"43. *Amendment of certain enactments.* — The enactments specified in the Second Schedule shall be amended in the manner directed therein and such amendments shall be deemed to have taken effect on the appointed day notwithstanding anything to the contrary contained in section 43 of the State Bank of Hyderabad Ordinance, 1956."

—[*Shri A. C. Guha*]

Mr. Deputy-Speaker: The question is:

"That clause 43, as amended, stand part of the Bill."

The motion was adopted.

Clause 43, as amended, was added to the Bill.

Clauses 44 and 45 were added to the Bill.

Shri A. C. Guha: There is an amendment for the insertion of a new clause—clause 46. It is only to repeal certain Acts and there are some saving clauses in respect of certain actions that might have been taken in connection with that bank.

New Clause 46

Amendment made:

Page 20—

after line 12, *add*:

"46. *Repeal and saving.*—(1) The State Bank of Hyderabad Ordinance, 1956, is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken (including any appointment, order, rule or regulation made or direction or instruction given) in the exercise of any powers conferred by or under the said Ordinance shall be deemed to have been done or taken in the exercise of the powers conferred by or under this Act, as if this Act were in force on the date on which such thing was done or action was taken."

—[*Shri A. C. Guha*]

Mr. Deputy-Speaker: The question is:

"That Clause 46 be added to the Bill."

The motion was adopted.

Clause 46 was added to the Bill.

Schedule I was added to the Bill.

Second Schedule

Shri A. C. Guha: I have an amendment to the Second Schedule No. 16. It is simple and clarifies the position with regard to the Hyderabad State Bank *vis-a-vis* the Reserve Bank. In these amendments, wherever simply the word 'Bank' has been mentioned, it will refer to the Reserve Bank.

Amendment made:

Pages 22 and 23—

for lines 23 to 34 and lines 1 to 6 respectively, *substitute*:

'3. Section 45 shall be renumbered as sub-section (1) thereof, and—

(i) in sub-section (1) as so renumbered, for the proviso, substitute the following, namely:

"Provided that nothing herein contained shall affect the provisions of any agreement subsisting on the Ist day of July, 1955, between the Bank and any other banking institution for the conduct of Government business or other matters."; and

(ii) after sub-section (1) as so renumbered insert the following sub-sections, namely:

"(2) Notwithstanding anything contained in sub-section (1), the Bank may employ or continue to employ as its agent—

(i) the Hyderabad Bank as defined in the State Bank of Hyderabad Act, 1956, at such places where and for such purposes for which, the said bank was the agent of the Reserve Bank immediately before the Ist day of November, 1956; and

(ii) any other banking institution notified by the Central Government in this behalf for the conduct of Government business or other matters at such places in India as may be approved by the Central Government.

(3) Notwithstanding anything to the contrary contained in any agreement between the Bank and the State Bank, it shall be lawful for the Bank to exclude from the operation of such agreement any place where any of the banking institutions referred to in sub-section (2) may have an office or branch." '

—[*Shri A. C. Guha*]

Mr. Deputy-Speaker: The question is:

"That the Second Schedule, as amended, stand part of the Bill."

The motion was adopted.

The Second Schedule, as amended, was added to the Bill.

Shri A. C. Guha: There is an amendment to clause 1 and also in the Preamble we want to omit the word 'impending' as it is not now very appropriate as the States' Reorganisation has taken place.

Amendment made:

Page 1—

for lines 20 and 21, *substitute*:

"(2) It shall be deemed to have come into force on the 22nd day of October, 1956."

—[*Shri A. C. Guha*]

Mr. Deputy-Speaker: The question is:

"That clause 1, as amended, stand part of the Bill."

The motion was adopted.

Clause 1, as amended, was added to the Bill.

Mr. Deputy-Speaker: Now there is the Preamble. The hon. Minister has already explained the amendment that he wants to make.

Amendment made:

Page 1, line 1—

omit "impending"

—[*Shri A. C. Guha*]

Mr. Deputy-Speaker: The question is:

"That the Preamble, as amended, stand part of the Bill."

The motion was adopted.

The Preamble, as amended, was added to the Bill.

The Enacting Formula and the Title were added to the Bill.

Shri A. C. Guha: Sir, I beg to move:

"That the Bill, as amended, be passed."

I think the Members coming from Andhra State will now be reassured that under the control and supervision of the Reserve Bank of India this Bank will function properly and will attend to the needs of the new State which has got immense possibilities for economic and industrial development. I hope the House will be pleased to pass the Bill as amended.

Mr. Deputy-Speaker: Motion moved:

"That the Bill, as amended, be passed."

Shri U. M. Trivedi (Chittor): Sir, it is an irony of fate that the Government, having promised in the beginning, when the State Bank of India Act was passed by this House, that so many other Banks which were functioning and were carrying on the duties of Government in the various States, which then went to form the whole of the Indian Union may be taken over by the State Bank of India should have come forward with this Bill.

Mr. Deputy-Speaker: The hon. Member was not here when the hon. Minister explained all those things.

Shri U. M. Trivedi: I do not know. What I know is this. This is known as the State Bank of Hyderabad.

This is not known as the State Bank of India.

Shri Heda: Now its name will be the State Bank of Hyderabad.

Shri U. M. Trivedi: That is what I say. I want that it should be completely merged with the State Bank of India.

Mr. Deputy-Speaker: I only referred to his previous point as to why other associated banks had not been nationalised or brought into this.

Shri U. M. Trivedi: My objection at present is only to this State Bank of Hyderabad. There was a desire that all these banks should be amalgamated with the State Bank of India. On one excuse or the other the various banks are still allowed to function. The Rajasthan Bank is working in certain parts of Rajasthan, the Jaipur Bank in certain parts of Rajasthan and the Indore Bank in the old Madhya Bharat, now Madhya Pradesh. We have now this State Bank of Hyderabad which was working as the State Bank for the whole of Hyderabad. Now it is not being taken over as part and parcel of the State Bank of India but as a separate entity in itself entitled the State Bank of Hyderabad.

My objection is only this. If the Government of India so desires, if the Government is very anxious that the whole control of Government business in the country should only be handled by one bank, then there was no necessity whatsoever to have this new Act to control the State Bank of Hyderabad. It ought to have gone the whole hog, to the same length to which it went in respect of the State Bank of India. In other words, the State Bank of Hyderabad ought to have been amalgamated with the State Bank of India so that there would be uniform working all over India in regard to Government business.

That is all what I want to say. Although it is at a very late stage, I do not know whether the measure that is now contemplated will serve the purpose for which it has been made.

Dr. Rama Rao: Sir, I want to take only one minute. I shall be the happiest person if my estimate of Rs. 2 crores in respect of bad debts will be proved wrong. I hope it will be wrong. Anyway there are many skeletons in the cupboard of the Hyderabad State Bank and it requires very thorough examination, and very quick and prompt examination. Sub-clause (4) especially, of clause 32, puts a handicap on the Reserve Bank of India. I am referring again to the same point. Now that the Minister has not been pleased to extend the time of one year the Reserve Bank may immediately go into this matter. Therefore, the Government of India must go into this matter very quickly so that all these matters can be cleared and whatever applications have to be brought before the High Court may be brought within one year.

Sir, I join the hon. Minister in the hope that this State Bank of Hyderabad will be a great asset to Andhra Pradesh in its industrial development.

Mr. Deputy-Speaker: I do not think the hon. Minister wants to say anything.

Shri A. C. Guha: No, Sir, except that I thank the hon. Members for welcoming this Bill.

Shri U. M. Trivedi: Sir, I want to point out that there is no quorum in the House.

16-46 hrs.

Mr. Deputy-Speaker: The bell is being rung.

There is quorum now. I shall now put the motion to the vote of the House.

The question is:

> "That the Bill, as amended, be passed."

The motion was adopted.

ABDUCTED PERSONS (RECOVERY AND RESTORATION) CONTINUANCE BILL

The Minister of Works, Housing and Supply (Sardar Swaran Singh): Sir, I beg to move:

> "That the Bill to continue the Abducted Persons (Recovery and Restoration) Act, 1949, for a further period be taken into consideration."

Shri U. M. Trivedi (Chittor): Sir, I rise on a point of order. This Bill is known as the Abducted Persons (Recovery and Restoration) Continuance Bill, 1956. It is a new Bill in itself and this provides for the continuance of a certain Bill of which a copy has not been supplied to us. That point I will raise later on. But the first question that arises is this. Any continuation of the work of recovery and restoration of abducted persons will require expenditure to be incurred from the Consolidated Fund of India. As such a recommendation for the consideration of this Bill—I do not know whether there was any recommendation at the introduction stage—from the President is required under article 117, clause (3). This is a very important provision of law which is wanting in this case. Therefore, I should say that this Bill cannot be considered at this stage.

Mr. Deputy-Speaker: It would not be beyond anything that we are incurring already. Does the hon. Member mean to say that because the previous Bill would expire and this one seeks to continue the work, therefore a certain expenditure shall have to be incurred?

Shri U. M. Trivedi: Certain expenditure will have to be met over and above that for which the Bill provided and for which consideration was made, when the original Bill was introduced. This is a new Bill. I would have accepted the proposition if the Bill's heading was "Abducted Persons (Recovery and Restoration) Amendment Bill", and I would not have raised this point at all. But now, this Bill has got a new name entirely. This is a new Bill—"The Abducted Persons (Recovery and Restoration) Continuance Bill, 1956". It is an entirely new Bill, and is not an amending Bill. So, within the spirit and letter of the law, I say that this Bill cannot be considered.

Sardar Swaran Singh: So far as the recommendation by the President is concerned, it is not a money Bill of the type which attracts the provisions of the Constitution. The expenditure which may be incurred for setting up the institutions is not of that type or case which comes within the purview of the relevant article of the Constitution which has been referred to by the hon. Member. The Bill will be enacted and if there is not already a provision in the budget, a supplementary demand or the like can be brought forward. It will be stretching this point too much, if one were to say that expenditure will be incurred. After all, whatever may be the legislative provision that is undertaken, some expenditure may be incurred. For instance, a larger number of offences may be created, as coming under the law, by an Act, but that does not mean that a larger number of courts are to be established and that therefore that legislation becomes a money Bill.

Shri U. M. Trivedi: I never said, "money Bill".

Mr. Deputy-Speaker: He will come to that, when he refers to the amendment.

Sardar Swaran Singh: So, there is no such contingency as is contemplated by the Constitution. As for the

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argument that this is a new Bill, I say that it is certainly not a new Bill, because the operative part is quite clear. It only changes the date up to which the Act will remain in force. The description of the operative part is, "Continuance". This is the "Abducted Persons (Recovery and Restoration) Continuance Bill." It is certainly not a new Bill because the operative part is very clear.

If the phraseology is something which shows that this is not an amending Bill, then that phraseology can be changed. After all, when the Bill is being considered, every part of it is before the House. Therefore, I submit that to say that this is a new Bill will not be correct. It is only an amending Bill. Therefore, I do not see what objection the hon. Member has.

Mr. Deputy-Speaker: So far as the question of the change in phraseology is concerned,—as was dealt with by the hon. Minister,—that is a matter which might be considered afterwards. But, for the present, we shall have to take the Bill as it is before us and whether it can be proceeded with. According to article 117(3) of the Constitution,

> "A Bill which, if enacted and brought into operation, would involve expenditure from the Consolidated Fund of India shall not be passed by either House of Parliament unless the President has recommended to that House the consideration of the Bill".

So, whether this Bill, if passed, would involve some expenditure or not is one thing. Apparently, it would seem that some expenditure would be incurred, but I am informed that even the original Bill did not require sanction of the President because additional expenditure was anticipated or envisaged. This thing has got to be examined. We can proceed with the Bill, because it is not going to be passed today, and so we can proceed with it without any hindrance. Meanwhile, it may be examined, and perhaps the House might also like to hear the Law Minister on this point, because it is an important question. So, we can proceed with the Bill as it is.

Pandit Thakur Das Bhargava: May I make a submission? In clause 2, the words are:

> "In sub-section (3) of section 1 of the Abducted Persons (Recovery and Restoration) Act, 1949, for the words and figures "30th day of November, 1956", the words and figures "30th day of November, 1957" shall be substituted."

So, the Act has not expired yet. The Act is yet subsisting. When the existing Act continues, this Bill can certainly be considered as an amending Bill. What is the connection of expenditure, on this question? It is nothing but an amending Bill. 'Continuance' bill can also be an amending Bill. Therefore, I do not think that article 117(3) of the Constitution is attracted at all.

The hon. Member who raised this point also said that if it was an amending Bill, he would not have raised the point. I am submitting that in effect, this is an amending Bill. The only operative part of this Bill is clause 2 which seeks to amend the Act. The only point is, the word "Continuance" is there. But it does not change the nature of the Bill. The Bill is an amending one. There is absolutely no doubt about it. There is only one operative clause which seeks to amend the present Act. Therefore, my submission is that this Bill does not require the sanction of the President. It can be taken up and discussed as it is.

Shri U. M. Trivedi: May I make one submission? The whole position is this. My learned friend and lawyer, Pandit Thakur Das Bhargava has suggested that this is an amending Bill. With very great respect, I will draw his attention to the portion printed in the Statement of Objects and Reasons. There have been three amendments to the Abducted Persons (Recovery and Restoration) Act, 1949. The Statement of Objects and Reasons says:

> "The Abducted Persons (Recovery and Restoration) Act, 1949 (65 of 1949), as amended by the Abducted Persons (Recovery and Restoration) Amendment Act, 1952 (7 of 1952), the Abducted Persons (Recovery and Restoration) Amendment Act, 1952 (77 of 1952)—

These were known as the Abducted Persons (Recovery and Restoration) Amendment Bill when they were presented before this House—and then we have:

> "the Abducted Persons (Recovery and Restoration) Amendment Act, 1954, (4 of 1954)".

Therefore, I say with great emphasis that this is a new Bill. You may try to get out of it by offering some explanation that the phraseology may be changed and all that, but that is a different thing.

Here, the fact remains that the Bill has been headed with the title "The Abducted Persons (Recovery and Restoration) Continuance Bill, 1956". So, it is a new Bill, pure and simple. There is no question as to what its effect will be. It is not the effect that will be considered, but it is the letter, and the provisions of article 117(3) of the Constitution are effective in this context and they are attracted. Therefore, this is not an amending Bill but a new Bill. So, my contention would be that this Bill hits completely the provisions of article 117(3) of the Constitution.

Mr. Deputy-Speaker: As I have remarked earlier, in my opinion it might be considered as a new Bill. The real object might be to amend a particular part, but unless the phraseology is changed, as it appears on the face of it, we will have to judge it as a new Bill. In these circumstances, certainly there is a difficulty, and it might be examined. As I have said, the hon. Minister may proceed, and meanwhile, it might be examined. We need not wait for it.

Sardar Swaran Singh: Mr. Deputy-Speaker, I do not propose to make any long speech with regard to the substance of the provisions of the Bill. This matter has been before the House from time to time, and the life of the Act had been extended on three or four earlier occasions. The life of the present Act expires by the 30th November, and by this amending Bill, the intention is to give it a further lease of life for one more year.

The subject-matter is quite familiar to the hon. Members of this House. I have circularised for their information a brochure which contains the relevant information and the various figures relating to the recovery and restoration both in India and Pakistan. All that I want to say is that the work has not yet been concluded, although the volume of work has considerably decreased. The time has not yet come when we can say that no further recoveries of abducted persons be made either in India or in Pakistan. It is, therefore, intended that the life of the Act may be extended for one year more.

I may add for the information of the hon. Members that so far as Pakistan is concerned, the relevant provision there is on a permanent basis, whereas here, the existing Act expires on the 30th November, 1956. A fact-finding commission has been constituted to examine two matters—firstly to assess the work that remains outstanding and secondly to suggest suitable means for expediting the work. Certain investigations had been made by officers who had been appointed to assist the members of this fact-finding commission, but the commission as such has not been able to present a report. A conference at which the Governments of India and Pakistan were represented was held at Karachi in July last and certain

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agreements were arrived at under which it was agreed that the work may be continued and assistance may be obtained from the village lambardars and from other limbs of district administration. That work is continuing.

17 hrs.

One other point I want to mention particularly with regard to the working of this organisation and the implementation of the provisions of this Act is this.

Mr. Deputy-Speaker: Is the hon. Minister likely to take some more time?

Sardar Swaran Singh: Yes, Sir; I may require five minutes more.

Mr. Deputy-Speaker: He may continue tomorrow. The House stands adjourned till 11 A.M. tomorrow.

17.01 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Thursday, the 22nd November, 1956.

DAILY DIGEST

[*Wednesday, 21st November* 1956]

COLUMNS

PAPERS LAID ON THE TABLE : 607, 610—11

The following Papers were laid on the Table :

(1) A copy of the draft notification proposed to be issued under sub-section (1) of section 620 of the Companies Act, 195 .

(2) Statements explaining the circumstances which necessitated immediate legislation by the following Ordinances :

(i) The Representation of the People (Amendment) Ordinance, 1956 (No. 9 of 1956).

(ii) The Displaced Persons Compensation and Rehabilitation) Amendment Ordinance, 1956 (No. 7 of 1956).

(iii) The Administration of Evacuee Property (Amendment) Ordinance, 1956 (No. 6 of 1956).

REPORT OF COMMITTEE ON PRIVATE MEMBERS' BILLS AND RESOLUTIONS PRESENTED 607

Sixty-third Report was presented.

REPORT OF SELECT COMMITTEE PRESENTED 607-08

Pandit Thakur Das Bhargava presented the Report of the Select Committee on the Suppression of Immoral Traffic in Women and Girls Bill.

PETITION PRESENTED 608

Shri B.S. Murthy presented a petition signed by a petitioner suggesting improvements in the publication of Railway Time-tables and Guides.

COLUMNS

BILLS INTRODUCED 608—10

The following Bills were introduced :

(1) Central Sales Tax Bill.

(2) Representation of the People (Fourth Amendment) Bill.

(3) Displaced Persons (Compensation and Rehabilitation Amendment Bill.)

(4) Administration of Evacuee Property (Amendment) Bill.

BILLS PASSED 611—70

The following Bills were considered and passed :

(1) Terminal Tax on Railway Passengers' Bill.

(2) States Reorganisation (Amendment) Bill.

(3) State Bank of Hyderabad Bill.

BILL UNDER CONSIDERATION 670—702

The Minister of Works, Housing and Supply (Sardar Swaran Singh) moved that the Abducted Persons (Recovery and Restoration) Continuance Bill be taken into consideration. The discussion was not concluded.

AGENDA FOR THURSDAY, 22ND NOVEMBER 1956

Consideration and passing of the Abducted Persons (Recovery and Restoration) Continuance Bill and the Young Persons (Harmful Publications) Bill and the consideration of the Territorial Army Amendment) Bill.